



Local energy,  
positive impact

## ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED  
30 JUNE 2022



This annual financial report is a translation of the official french version which was submitted to the AMF under ESEF format (European Single Electronic Format) on October 31st 2022, available on our website [www.francaisedelenergie.fr](http://www.francaisedelenergie.fr) in the "investors" section



Local energy,  
positive impact

Providing **low carbon energy solutions** locally.

### Energy solutions in production and under prospection



**GAS**



**ELECTRICITY**



**HEAT**



**HYDROGEN**



**CO2**

### Local energy production in our territories



United Kingdom



Norway



Hauts-de-France and Lorraine



Wallonie

## The Group's key financials



**19.5 MW OF COGENERATION CAPACITY**  
INSTALLED IN FY2022

### EBITDA

FY2022 **x5.6 vs. FY2021** **€16.4M**



**MORE THAN 2.7 MILLION TONS OF CO2 EQ AVOIDED**  
PER YEAR IN FY2022 <sup>(1)</sup>

### Operating income

FY2022 **x10.1 vs. FY2021** **€14.3M**



**€26.2M REVENUES FY2022**  
**+156% vs. FY2021,**  
**+48% AVERAGE ANNUAL GROWTH SINCE 2017**

### Net profit<sup>(2)</sup>

FY2022 **x26.7 vs. FY2021** **€7.3M**

**INVESTMENTS**

**€13.6M**

**EQUITY<sup>(2)</sup>**

**€63.3M**

**CASH AVAILABLE**

**€24.0M**

**NET DEBT TO EQUITY**

**50%**



<sup>(1)</sup> Sources: FDE, based on the updated INERIS 2019 certification with a GWP of 82.5 (AR6 - IPCC 2021), and University of Mons, and including the Béthune site

<sup>(2)</sup> Net group share

## CONTENTS

<b>1. DECLARATION OF THE PERSON IN CHARGE</b>	4	<b>5.2 SHAREHOLDER PARTICIPATION IN GENERAL MEETINGS</b>	55
<b>2. STATUTORY AUDITORS</b>	5	<b>5.3 ITEMS LIKELY TO HAVE AN IMPACT IN THE EVENT OF A PUBLIC OFFERING</b>	57
2.1 LEAD STATUTORY AUDITORS	5	<b>6. OTHER INFORMATION REPORTED</b>	58
<b>3. GROUP FINANCIAL REPORT AND PRESENTATION</b>	6	6.1 RESEARCH AND DEVELOPMENT	58
3.1 BUSINESS ACTIVITY AND DEVELOPMENT OF THE COMPANY AND GROUP DURING THE PRECEDING FISCAL YEAR	6	6.2 EMPLOYEE SHARE OWNERSHIP	58
3.2 PRESENTATION OF THE COMPANY'S FINANCIAL STATEMENTS	19	6.3 SUMMARY STATEMENT OF TRANSACTIONS BY DIRECTORS AND PERSONS CLOSE TO THEM	58
3.3 PRESENTATION OF THE GROUP'S CONSOLIDATED FINANCIAL STATEMENTS	25	6.4 APPROPRIATION OF EARNINGS	58
3.4 OUTLOOK	30	6.5 NO LOANS	59
<b>4. CORPORATE GOVERNANCE</b>	32	6.6 NON-TAX DEDUCTIBLE EXPENSES	59
4.1 MIDDLENEXT CORPORATE GOVERNANCE CODE	32	6.7 TABLE OF EARNINGS FOR LAST FIVE YEARS	59
4.2 NON-CONTROL OF THE COMPANY	32	6.8 INFORMATION ON PAYMENT TERMS	60
4.3 SEGREGATION OF DUTIES OF CHAIRMAN AND MANAGING DIRECTOR	32	<b>7. RISK FACTORS AND MANAGEMENT MEASURES</b>	61
4.4 PREPARING AND ORGANISING BOARD MEETINGS	33	7.1 GENERAL RISKS	61
4.5 COMPOSITION OF THE BOARD OF DIRECTORS	34	7.2 OPERATING RISKS	64
4.6 DIVERSITY POLICY AND REPRESENTATION IN BOARD OF DIRECTORS	36	7.3 ENVIRONMENTAL RISKS	65
4.7 DIRECTOR SELECTION CRITERIA	36	7.4 FINANCIAL RISKS	66
4.8 INDEPENDENCE OF DIRECTORS	37	7.5 REGULATORY AND LEGAL RISKS	68
4.9 MISSION OF THE BOARD OF DIRECTORS	37	7.6 RISK PREVENTION AND MANAGEMENT	69
4.10 ROLE OF THE BOARD CHAIRMAN	38	7.7 FINANCIAL RISKS LINKED TO EFFECTS OF CLIMATE CHANGE	70
4.11 BOARD OF DIRECTORS' COMMITTEES	39	<b>8. COMPANY'S FINANCIAL STATEMENTS</b>	71
4.12 COMPENSATION ALLOCATED TO BOARD OF DIRECTORS MEMBERS	41	8.1 COMPANY'S FINANCIAL STATEMENTS AND NOTES	71
4.13 INFORMATION ON REMUNERATION DUE OR GRANTED TO THE CORPORATE OFFICERS	42	8.2 STATUTORY AUDITORS' REPORT ON THE COMPANY'S FINANCIAL STATEMENTS	96
4.14 OTHER BENEFITS	50	8.3 STATUTORY AUDITORS' REPORT ON REGULATED AGREEMENTS	104
4.15 INFORMATION ON THE COMPANY'S SHARE CAPITAL STRUCTURE	50	<b>9. CONSOLIDATED FINANCIAL STATEMENTS</b>	112
<b>5. OTHER ASPECTS OF CORPORATE GOVERNANCE</b>	55	9.1 CONSOLIDATED FINANCIAL STATEMENTS AND NOTES	112
5.1 MANAGEMENT AND LIMITATIONS ON POWERS	55	9.2 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS	159





## 1. DECLARATION OF THE PERSON IN CHARGE

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I hereby certify that, to the best of my knowledge, the financial statements for the past fiscal year were prepared in accordance with the applicable accounting standards and provide a true image of the assets, liabilities, financial position and results of the Company and all companies included in the Group's scope, and the management report included in this annual financial report presents a true picture of changes in the business, results and financial position of the Company and of all companies included in the Group's scope, as well as a description of the main risks and uncertainties they face.

Made in Pontpierre on 31 October 2022

A handwritten signature in black ink, which appears to read 'Julien Moulin'.

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**Julien MOULIN**  
Chairman

## 2. STATUTORY AUDITORS

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### 2.1 LEAD STATUTORY AUDITORS

#### ■ Mazars

Member of the *Compagnie Régionale des Commissaires aux Comptes de Colmar* (Colmar Regional Association of Statutory Auditors).

Represented Ms Laurence Fournier

1, rue des Arquebusiers, 67000 Strasbourg, France

Appointed by decision of the shareholders on 29 November 2019 for a six-year term, expiring at the end of the general meeting called to approve the financial statements for the fiscal year ended 30 June 2025.

#### ■ BDO

Member of the *Compagnie Régionale des Commissaires aux Comptes de Paris* (Paris Regional Association of Statutory Auditors).

Represented by Mr Sébastien Haas

43/47 avenue de la Grande Armée, 75116 Paris, France

Appointed by decision of the shareholders on 3 December 2020 for a six-year term, expiring at the end of the general meeting called to approve the financial statements for the year ended 30 June 2026.

### 3. GROUP FINANCIAL REPORT AND PRESENTATION

Dear Sir, Madam,

Pursuant to Articles L.225-100, L.233-26 and L.232-1 of the French Commercial Code, we hereby present the financial report, including the management report on activities of La Française de l’Energie S.A. (hereinafter referred to as the “Company” or “FDE”) and the Group (hereinafter referred to as the “Group”) for the fiscal year from 1 July 2021 to 30 June 2022.

#### 3.1 BUSINESS ACTIVITY AND DEVELOPMENT OF THE COMPANY AND GROUP DURING THE PRECEDING FISCAL YEAR

##### 3.1.1 Group perimeter

FDE is the Group’s parent company and top company within the scope of consolidation.

The subsidiaries held directly and indirectly by the Company are described below. As of 30 June 2022, none of the Company’s subsidiaries were listed on a regulated or unregulated market.

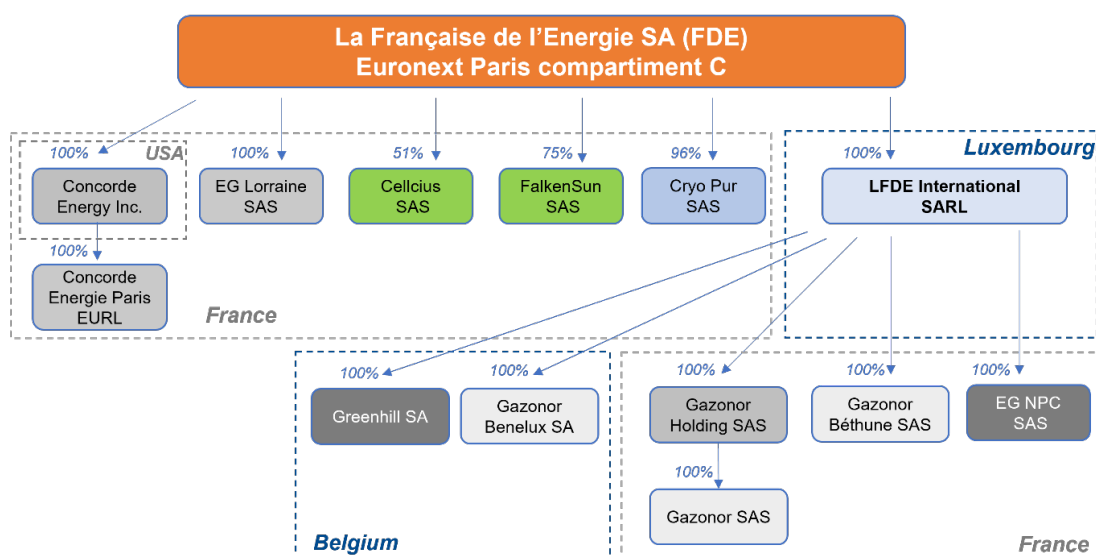
Information on the Group’s subsidiaries appears below:

Address and Trade and Companies Registration No.	Share capital	% Equity Interest	Activity
<b>FRENCH COMPANIES</b>			
<b>Cellcius SAS</b> 1 avenue Saint-Remy 57600 Forbach (France)	€1,000	51%	Operating company (Creutzwald solar-thermal project)
<b>Concorde Energy Paris EURL</b> 1 avenue Saint-Rémy 57600 Forbach (France) RCS 529 069 825	€1,000	100%	Operating company (including PER La Folie de Paris)
<b>Cryo Pur SAS</b> 9, rue du Buisson aux Fraises 91300 Massy (France)	€1,599,841	96.27%	Operating company
<b>EG Lorraine SAS</b> 1 avenue Saint-Rémy 57600 Forbach (France) RCS 790 110 639	€868,544	100%	Operating company
<b>EG NPC SAS</b> ZAL Fosse 7 62210 Avion (France) RCS 790 090 880	€624	100%	Operating company (30 MW cogeneration project including Avion7)
<b>FalkenSun SAS</b> Avenue du District 57380 Pontpierre (France)	€1,000	75%	Operating company (Tritteling photovoltaic project)
<b>Gazonor Béthune SAS</b> Rue du Siège Zal de la Fosse 7 62210 Avion (France)	€10,000	100%	Operating company (Béthune cogeneration project)

Address and Trade and Companies Registration No.	Share capital	% Equity Interest	Activity
<b>Gazonor Holding SAS</b> Zal Fosse 7 62210 Avion (France) RCS 451 506 612	€8,450,000	100%	Holding company
<b>Gazonor SAS</b> ZAL Fosse 7 62210 Avion (France) RCS 381 972 439	€1,400,000	100%	Operating company (including ELP and Concessions Désirée and Poissonnière and ELP Valenciennois)
<b>FOREIGN COMPANIES</b>			
<b>Concorde Energy Inc.</b> 1537 Bull Lea Road Lexington, Kentucky 40511 (USA)	\$6,391,199	100%	Holding company
<b>Gazonor Benelux SA</b> Voie de l'Air Pur 17-19 4052 Chaudfontaine (Belgium)	€300,000	100%	Operating company (including operating Anderlues concession, Wallonia)
<b>Greenhill SA</b> Voie de l'Air Pur 17-19 4052 Chaudfontaine (Belgium)	€65,000	100%	Operating company
<b>LFDE International SARL</b> 76-78 rue de Merl 2146 Luxembourg (Luxembourg)	€1,000,000	100%	Holding company

The scope of consolidation changed during this fiscal year compared to 30 June 2021, with the acquisition of 94% of the capital of Cryo Pur, a French company specialised in **biogas treatment and liquefaction into Liquefied Biogas (LBG) and Bio-CO<sub>2</sub>**, whose shareholding increased to 96.27% following a capital increase during the year. There were no other changes in the scope of consolidation during the year.

The organisation chart below illustrates the Group's legal structure including subsidiaries held directly and/or indirectly by the Company, as of 30 June 2022.



### 3.1.2 Business activity and development

#### (i) Status and evolution of the Company's and the Group's business

La Française de l'Energie ("FDE") is a carbon-negative energy producer. Thus, FDE is the main producer of gas and green electricity from abandoned mine methane capture in France and Belgium. The Group valorizes, in short circuits, this fatal gas found in the former mining basins of the North of France (Hauts-de-France) and in the South of Belgium (Wallonia) in order to avoid its release into the atmosphere. Using the same approach of producing local and green energy, the Group is developing its operations in photovoltaic, solar heat, LBG and Bio-CO<sub>2</sub>.

FDE currently operates six power-generation sites in Europe (with 15 cogeneration units of 1.5 MW, i.e. an installed total capacity of 22.5 MW), two gas injection sites, two heat production sites, and two LBG and Bio-CO<sub>2</sub> production sites where Cryo Pur technology is deployed.

Following the acquisition of its subsidiary Cryo Pur during the year, the Group has now integrated purification and liquefaction of all types of gas (biogas, landfill gas, flare gas, rare gases, etc.). The integration of Cryo Pur will therefore allow to maximize the value of FDE's large gas reserves but also to strengthen its position on the strategic green gas and CO<sub>2</sub> markets.

On the macro-economic front, the post-Covid economic recovery and the declining supply of nuclear power have exacerbated the imbalance between energy supply and demand. These market dynamics have induced sharp increases in electricity and gas prices, which have accelerated since February 2022 with the gradual limitation of Russian gas supplies to European customers.

In this tense geopolitical and energy landscape, the relevance of FDE's business model is even more compelling. Indeed, the Group continues to contribute to the energy independence of the regions concerned through its energy production in short circuits, by supplying local, economically and ecologically competitive energy, which already allow to avoid more than 2.7 million tonnes of CO<sub>2</sub>eq emissions per year<sup>1</sup>. The integrated model of energy production in short circuits FDE has been promoting for a decade continues to demonstrate its merits today.

During the 2022 financial year, FDE also enjoyed a buoyant market environment, particularly for its gas activities in France and electricity sales in Belgium, and was able to set the selling prices for the next quarters at attractive levels.

Additionally, the current market environment confirms the acceleration of new direct sales models via PPAs (Power Purchase Agreements), thus optimising the value of revenues derived from the Group's facilities while maintaining high visibility on revenue streams. For example, the electricity from the two new 1.5 MW cogeneration units to be installed at the Avion site in 2022 is currently valued under a three-year PPA contract, with selling prices for 2022 and 2023 that are considerably higher than the existing feed-in tariff.

The vast majority of FDE's power generation portfolio is therefore expected to be valued, by the end of the financial year 2023, under PPAs with creditworthy partners.

<sup>1</sup> Uncertified figures at this stage, 1.4 million tonnes certified. Source: Inéris 2019 certification, updated with a Global Warming Potential of 82.5 (AR6 - IPCC) and including the Béthune site and Avion 7 (FDE extrapolation), Study by Université Polytechnique de Mons



## (ii) Status and development of ESG issues

FDE takes responsibility for conducting its activities in an environmentally, economically and socially sustainable manner at all times.

In its constantly enhanced Corporate Social Responsibility policy, the company, its employees and its partners are committed to a business attitude characterised by integrity and compliance for the law. In addition to protecting the environment, this commitment also includes upholding and supporting the Universal Declaration of Human Rights as adopted by the United Nations, labour standards as established by the International Labour Organisation (ILO), a zero-tolerance policy towards corruption, fraud or money laundering, protection of data and intellectual property, compliance with all relevant laws and regulations, as well as good corporate citizenship in general.

While promoting all 17 “**Sustainable Development Goals**” (SDGs), as established in September 2015 by the United Nations for the period 2015-2030, FDE mainly contributes to the goals related to its own areas of expertise, particularly the following:

- Goal 7: Affordable and clean energy
- Goal 9: Industry, innovation and infrastructure
- Goal 11: Sustainable cities and communities
- Goal 13: Climate action
- Goal 17: Partnerships to achieve the goals

FDE considers itself uniquely positioned to contribute to its goals, as the Group has already demonstrated the effectiveness of its approach to sustainably reducing the carbon footprint of energy use, developing better distributed infrastructure and providing affordable energy to local consumers in order to develop sustainable ecosystems.

The aim is to achieve this through investment in additional power generation capacity and other low-carbon energy solutions without confining the group to specific technologies. While FDE believes that its technical and operational capabilities are relevant to capturing methane from abandoned mines and producing green electricity and heat from this waste gas, they are also relevant to the development of green heat and green power generation from solar energy. FDE’s technical know-how and its unique expertise in developing power generation projects from design to implementation, operation and maintenance also allow it to easily envisage its ongoing expansion into LBG, Bio-CO<sub>2</sub>, hydrogen production, as well as energy storage and carbon sequestration by developing new carbon storage where appropriate.

These different segments are at the heart of the ecological transition and absolutely critical to develop in order to **achieve the 2050 objectives of carbon neutrality** to which the European Union and its various members have made commitment. It is on this set of complementary solutions that FDE is focusing its efforts in order to continue to build up the resilience of the territories where it operates while minimising the carbon footprint of the energy used in these regions.

The Group’s commitment to quality with regard to all the stakeholders in its operations (teams, customers, investors, subcontracting partners, elected officials, residents and creditors) remains at the heart of its efforts to maintain **ISO 9001 2015 certification** for all the Group’s operations in Hauts-de-France. This certification is the international standard for Quality Management Systems (QMS), in order to guarantee quality of the product supplied and continuous improvement of the company’s processes.

Additionally, the Group is expanding its role as the main contributor to reducing the carbon footprint of the former mining areas of Hauts de France and Wallonia, now avoiding nearly **2.7 million tonnes of CO<sub>2</sub>eq emissions yearly<sup>2</sup>** during FY2022.

With this direct impact on air pollution, the Group ranks among **the only energy producers with a negative carbon footprint in Europe**.

The commitment to sustainable development and implementation of financial short circuits in the continuity of FY2021 carried over into FY2022 with a new crowdfunding being secured at the subsidiary FalkenSun's level, which raised €2.5M on the Lendosphere platform for the construction of its photovoltaic plant in Tritteling-Redlach, with the support of 889 investors and the participation of its partner, La Nef, a cooperative bank committed to the ecological transition.

During FY2022, the Group also issued its **first green bond** of €40M for the development of its low-carbon energy portfolio. This financing is provided by Edmond de Rothschild Asset Management (EDRAM), one of the leading energy and infrastructure investment funds in Europe, thereby confirming once again the relevance of FDE's positioning on low-carbon energy and the energy transition. This green bond will finance the Group's existing energy portfolio and can be extended to other low-carbon projects such as hydrogen in Europe. The financing is classified as a "Green Bond" and the issuance has been assessed to be compliant with the Green Bond Principles of the International Capital Market Association (ICMA) through an opinion from EthiFinance, a recognised independent expert.

This bond allows FDE to commit significant financial resources to fast-track its development strategy without diluting the company's equity in its assets: as such, 100MW capacity will be installed by 2026 and 10 million tonnes of CO<sub>2</sub>eq emissions will be avoided annually by implementing these various projects of low-carbon energy production.

In addition, FDE's continued commitment to ESG matters has been recognised in the improvement of its **Gaïa Research** rating, which assesses the ESG (Environmental, Social and Governance) performance of companies listed on European markets, with FDE maintaining its leadership among SMEs in the energy sector. Gaïa Rating is the leading rating agency for French listed mid-sized companies wherestocks are rated based on more than 170 extra-financial criteria.

FDE scored 65/100, which is a clear improvement on the rating awarded the previous year (62/100) and a continuous improvement in the rating over each of the last five years.

Lastly, FDE saw its contribution to the ecological transition effort being rewarded in early 2022 by the inclusion of its abandoned mine methane capture activity in the Greenfin France green finance label in the circular economy category. The **Greenfin France green finance label** is the flagship public label for the "Energy and ecological transition for the climate". It specifically singles out investment funds that contribute to the energy and ecological transition. This is a guarantee for investors of the quality and transparency of the environmental characteristics of such funds and of their contribution to the energy transition and the fight against climate change.

<sup>2</sup> Uncertified figures at this stage, 1.4 million tonnes certified. Source: Inéris 2019 certification, updated with a Global Warming Potential of 82.5 (AR6 - IPCC) and including the Béthune site and Avion 7 (FDE extrapolation), Study by Université Polytechnique de Mons

**(iii) Turnover and production**

FDE's annual **turnover stands at €26.2M, growing robustly (+156% vs FY2021)**, driven by a sharp increase in production volumes and favourable market prices.

**Sales trends between FY2021 and FY2022:**

Turnover breakdown (in M€)	30 June 2022	30 June 2021	Var.
Gas sales - France	11.8	3.5	233%
Electricity sales - France	6.0	5.6	8%
Electricity sales - Belgium	6.9	1.0	617%
Heat sales - France	0.4	0.2	104%
Equipment and services Cryo Pur - Norway	1.2		
<b>Annual turnover</b>	<b>26.2</b>	<b>10.2</b>	<b>156%</b>

**Gas production activity remained very dynamic during the year and accounted for nearly 45% of turnover** during this financial year. **The related revenues have more than tripled to €11.8M in FY2022**, boosted by a **further increase in volumes produced (+8%)** and an average market sale price of **€46.70/MWh in FY2022 (+218%)**.

**Revenues from power generation (49% of turnover)** doubled to **€12.9M (+97% vs FY2021)**, on the back of the Group's enhanced production capacity (annual volumes up **18%**, particularly with the commissioning of **three additional cogeneration units in Anderlues in January 2022**) and highly supportive Belgian electricity sales prices, which rose to **€195.10/MWh<sup>3</sup> on average during the year**.

**Revenues from the sale of heat** in Béthune and Creutzwald also doubled to **€363K in FY2022 (FY2021: €178K)**.

**Cryo Pur**, the recently acquired subsidiary dedicated to LBG and Bio-CO<sub>2</sub>, contributed **for the six months of FY2022 for €1.2M** to the Group's revenues, with the recent commissioning in the presence of the Norwegian Prime Minister of the first plant in Scandinavia to produce 8 tonnes/day of LBG and 10 tonnes/day of Bio-CO<sub>2</sub> from fish waste and manure.

**(iv) EBITDA and operating result**

On the back of the Group's organic growth and steady energy prices, EBITDA more than quintupled during the year to **€16.4M in FY2022 (FY2021: €2.9M)**, with an **EBITDA margin on 62% (2021: 29%)**, above the margin targets set by the Group for the end of 2022. Excluding Cryo Pur, which is currently being operationally integrated into the Group, particularly in terms of cost synergies, the EBITDA margin stood at 66%.

In an inflationary environment, this solid performance was comforted by the Group's **continued cost control** with operating expenses (excluding Cryo Pur's costs) under control, accounting for **24% of FY2022 revenues (FY2021: 41%)**. **Administrative expenses** (excluding Cryo Pur's and the accounting of awarded employees shares IFRS rules) amounted to **€4.4 million**, following increased personnel costs, as well as development and acquisition costs inherent to FDE's growth.

Prices excluding green certificates, still pending credit

It is worth noting that a reversal of a €1.1M provision related to the costs of dismantling the Gazonor site, initially based on historical data at the time when the company was acquired in 2016 and its valuation was reviewed by an independent party, led to an adjustment of the assets and liabilities based on these results in H1 2022.

The Operating Result has therefore grown tremendously from €1.4M in FY2021 to **€14.3M** in FY2022.

### (v) Investments

During FY2022, FDE pursued its investment policy, consolidating its unique footprint by rolling out new local low-carbon energy solutions in France and Belgium, particularly with the installation of five new 1.5 MW cogeneration units at the Avion (3 MW) and Anderlues (4.5 MW) sites, with nearly €4.6M worth of investments during the fiscal year.

FDE has pursued its development, in photovoltaics in particular, with the construction of the 15 MW ground-based photovoltaic power plant at Tritteling-Redlach in Moselle, which is currently being finalised, with more than €5.8M invested during the fiscal year 2022.

FDE also acquired 94% of the capital of Cryo Pur, specialised in biogas treatment and liquefaction into LBG and Bio-CO<sub>2</sub>, thus strengthening the group's position in energy production solutions that reduce greenhouse gas emissions. Cryo Pur was founded in 2015 by Denis Clodic, former director of the Energy and Processes Centre at Mines ParisTech and **co-winner of the Nobel Peace Prize in 2007 for his contributions to the IPCC** (Intergovernmental Panel on Climate Change). Capitalising on **35 years of Research & Development**, and French Tech Ambassador at the COP21, Cryo Pur has developed a breakthrough patented technology that purifies biogas into Bio-CO<sub>2</sub> and Biomethane before liquefying it into LBG. Cryo Pur's technology is based on a cryogenic system that combines a system of integrated refrigeration cascades to separate different gas components and liquefy them.

The Bio-CO<sub>2</sub> produced through the Cryo Pur process can be recovered in short circuits throughout the entire value chain, including by food industry players. LBG is sold to consumers as a substitute for fossil fuels.

Using these processes based on **eight major international patent families**, the LBG and Bio-CO<sub>2</sub> obtained meet the needs of all types of applications. Accordingly, this technology allows farmers, cooperatives, industrial and energy companies to efficiently recover the full energy potential of their products and waste while **reducing diffuse methane and CO<sub>2</sub> emissions**.

Nearly **€30M have thus been invested in developing the Cryo Pur process** and its implementation prior to being acquired by FDE. The technology is currently operational in the UK and Norway at **two biogas production facilities owned by industrial and agricultural players** (Greenville Energy and Renevo), with a total annual production capacity to date of 4,000 tonnes of LBG and 5,500 tonnes of Bio-CO<sub>2</sub>.

### (vi) Cash flow and financing

The Group's net cash position at 30 June 2022 was **€24.0M**, up by **€17.1M** vs 30 June 2021.

This substantial improvement was due to buoyant operational activity and additional financing raised to enable the Group to sustain an active investment policy over the period.

The Group's operating cash flow was positive for the year, with operating cash flows before changes in working capital of **€15.8M** (€3.2M in FY2021). This was positively impacted by increased volumes produced, and higher gas and electricity prices in Belgium.

Cash flows from investment activities were negative at **€13.6M (+€4.1M)**. These cash flows from investment activities are consistent with the Group's growth strategy, including works to extend the cogeneration portfolio in France and Belgium amounting to €5.2M, the 15MW ground-based photovoltaic project in Tritteling for €5.8M, and the strategic acquisition of Cryo Pur for €2.5M.

Cash flows from financing activities were positive at **€22.9M** vs €7.3M last year, as the Group benefitted from a €2.5M crowdfunded bond loan raised by FalkenSun in August 2021 (to cover part of the equity required for its 15MW PV project), €25M worth of green bonds for the development of its low-carbon energy portfolio in France and Belgium, granted by Edmond de Rothschild Asset Management (EDRAM) in September 2021, and the drawdown of a €3.6M ING loan to finance phase 2 of the Anderlues project. During the fiscal year, FDE fully repaid the shareholder loans totalling €3.3M.

The success of these financing raisings demonstrates the relevance of FDE's model articulated around energy solutions with high environmental, economic and social impacts on its territories, while allowing the Group to minimise the use of its equity and continue to reduce its cost of capital.

The Group's debt remains low with a net debt to equity ratio of **50% at the end of June 2022** (or 48% excluding Cryo Pur, vs 36% at the end of June 2021) - a conservative level that allows the Group to comfortably finance its development.

## EXTRA-FINANCIAL IMPACTS

Pursuant to Articles L 225-102-1 and L 22-10-36 of the French Commercial Code, this section presents the social, environmental and societal implications of the Group's activity.

In order to measure extra-financial impacts, FDE is guided by its fundamental values of excellence, trust, respect and accountability. These apply to all our operations and to each of the communities where we live and operate.

Informed by our Code of Conduct and Business Ethics, FDE meets or exceeds the requirements of all applicable laws and standards in the communities where we operate, across all our activities in each region of France and Belgium. In doing so, we are committed to transparent and respectful engagement with our stakeholders, including our investors, employees, partners, suppliers and communities.

As a reminder, extra-financial aspects are mainstreamed in all dimensions of our group and reflected in the following core areas:

- **Governance and ethics:** FDE demonstrates robust and constantly evolving corporate governance with leadership that exemplifies the highest standards of ethics and integrity and a firm commitment to the responsible development of our portfolio of short circuit renewable energy generation assets, as close as possible to the actual needs of the territories we serve. Our leadership model effectively embraces ethical, fiscal, environmental and social considerations, thereby protecting our human, natural, financial, operational, intellectual and reputational capital.



- **Human capital:** FDE's commitment to people is rooted in our core values: we value and care for our employees, and believe that every employee and partner deserves to be treated with dignity and respect. We recognise the principles of the Universal Declaration of Human Rights and have established policies to uphold these principles in our day-to-day operations, including creating a fair and equal workplace. We encourage our employees to give their best, and value teamwork, collaboration, dialogue and innovation that combine to create a healthy workplace and added value for the company.
- **Health, safety and environment (HSE):** FDE is committed to conducting its business in a way that protects the health and safety of its employees, contractors and the public while minimising its environmental impact. Our HSE culture is recognised as a model by both our industry and our stakeholders. Every staff member, including management, is responsible for the proper application of HSE principles and is actively engaged in continuous improvement of HSE performance.
- **Communities:** FDE strives to support the communities in which the company operates using a shared value model. We are keen on developing business and employment opportunities, building positive relationships and contributing to meaningful and mutually-beneficial partnerships that empower the community and boost our business capacity. Our short circuit approach promotes local investment and contributes to enhance quality of life in our communities by improving the social, economic, environmental and cultural dimensions.

The quality of the Group's extra-financial performance is illustrated in particular by the ESG ranking obtained with its **Gaïa Research** rating. FDE received an **overall score of 65/100** and retained its leadership among energy sector SMEs by improving its rating for the 5th consecutive year.

The Group is also the **only energy producer with a negative carbon footprint in France and Belgium** due to the methane emissions FDE captures in order to avoid their release into the atmosphere.

Abandoned mine methane accumulates in old coal mine galleries and rises to the surface through old mine shafts, before escaping into the atmosphere if it is not captured. This gas is mainly composed of methane, a gas with a **Global Warming Potential (GWP) 82.5 times greater than CO<sub>2</sub> over 20 years** according to the **latest IPCC assessment report (AR6) published in 2021**.

To date, the Group is the largest contributor to the effort to reduce the carbon footprint of the Hauts-de-France region, thanks to **CO<sub>2</sub>eq emissions avoided yearly** on its various abandoned mine methane capture and short-circuit exploitation facilities.

In Belgium, abandoned mine methane capture and exploitation in the form of electricity and eventually heat, using five cogeneration plants with a total installed capacity of 7.5 MW, allows to avoid the emission of **808 000 tonnes de CO<sub>2</sub>eq yearly**, according to the full impact assessment conducted by **Université Polytechnique de Mons (UMONS) in 2022**. This is equivalent to CO<sub>2</sub> emissions by a city of 100,000 inhabitants, i.e. equivalent to 2.7% of the Wallonia Region's population<sup>4</sup>.

Therefore using the updated IPCC baseline (AR6) over 20 years<sup>5</sup>, the Group's abandoned

<sup>4</sup> Source: World Bank 2018

<sup>5</sup> Source: FDE, based on the updated 2019 INERIS certification with a GWP of 82.5 and including the Béthune and Avion 7 facilities

mine methane capture and exploitation activity has helped to avoid in 2022 over **2.7 million tonnes of CO<sub>2</sub>eq yearly**, with the **objective to avoid 10 million tonnes of CO<sub>2</sub>eq yearly by 2026**, thus confirming FDE's predominant role in Europe's ecological transition.

Heat production from the Creutzwald solar thermal power plant also enables FDE to reduce the carbon footprint of this territory by 560 tonnes per year.

Additionally, as part of its **Green Bond Framework**, FDE confirmed the allocation on 30 June 2022 of 94% of the proceeds of its green bond to eligible green assets, including 42% to the development of its abandoned mine methane cogeneration business in Belgium, 15% to the development of its abandoned mine methane cogeneration business in France, 23% to the development of its photovoltaic business in France, and 14% to the development of its liquefied biogas business. At 30 June 2022, 6% remained available to finance the Group's development in green assets.

The five cogeneration plants in France and Belgium commissioned in 2022 thanks to the initial Green Bond funding will generate an additional 7.5 MW of green electricity and avoid more than one million tonnes of CO<sub>2</sub>eq emission per year.

### 3.1.3 *Significant events during the year*

#### KEY HIGHLIGHTS OF THE YEAR

##### OPERATIONAL PROJECTS

#### Acquisition of Cryo Pur and inauguration of the first LBG and Bio-CO<sub>2</sub> production facility in Scandinavia

During the financial year, FDE announced the acquisition of a 94% stake in Cryo Pur, a French company specialised in biogas treatment and liquefaction into LBG and Bio-CO<sub>2</sub>, thus strengthening the Group's position in energy production solutions that reduce greenhouse gas emissions.

On 24 May 2022, Norwegian Prime Minister Jonas Gahr Støre inaugurated Renevo's new liquefied biogas plant in Stord, western Norway. The plant uses Cryo Pur technology and is the first of its kind in Scandinavia. Indeed, the Stord plant is the largest commercial renewable biogas plant in western Norway and **produces the equivalent consumption of 4,000 households per year**.

Inputs are derived from local fisheries, as well as the local aquaculture and agricultural sectors. The plant will provide the region with renewable energy for fuel - liquefied biomethane - as well as a valuable organic fertiliser for agriculture. The CO<sub>2</sub> captured in the process, a novelty in Norway for such a facility, will be used in the aquaculture and food industries, thereby complementing the overall value creation of the plant.

The plant is the very first collaboration between Renevo and Cryo Pur for a project signed in July 2020. Building on this initial success, Renevo is looking to contract a second purification and liquefaction unit with Cryo Pur, three times larger than this project, and of which commercial terms and conditions are currently being discussed.

### First ground-based photovoltaic project - Tritteling-Redlach

On 20 October 2020, FDE was awarded a **14.92MW** ground-based photovoltaic power plant project in the latest call for solar tenders issued by the French Energy Regulatory Commission (CRE).

This plant is located in the Grand Est region, on the site of a former landfill in Tritteling-Redlach. Over a 30-year period, this site will produce 16GWh per year to supply green energy to the equivalent of more than 7,000 people or nearly **30% of the population of the metropolitan community (*District Urbain de Faulquemont*)**. The construction of the plant is currently being finalised for launching in October 2022. Under the current market conditions, the project will benefit from attractive sales price conditions.

The completion of this project confirms FDE's expertise in energy solutions adding value to the region and sets a milestone for the Group in rolling out its solar strategy since, with a capacity of 15MW, this project is the largest of the six photovoltaic projects selected for the Grand Est region in the CRE 2019 tender.

Additionally, the Group ambition to develop 100MW of ground-based solar farms by the end of FY2026, in its key operational territories, in order to provide local consumers with increasingly low-carbon energy produced in short circuits. FDE has already secured 22 hectares of land in the Grand Est region and 18 hectares in the Hauts-de-France. In parallel, it is in the process of discussing an additional 43 hectares in order to develop 42MW by the end of FY2024.

### Installation of five new cogeneration units at Avion 7 and Anderlues

In order to pursue its development plan, which will reach 100MW of electrical capacity installed in five regions of Europe by FY2026, FDE installed five additional cogeneration units during the financial year, thereby increasing the Anderlues installed capacity by 4.5MW and Avion by 3MW. These cogeneration units came into service in January 2022 and July 2022 respectively.

This substantial increase in production capacity is taking place in a considerably supportive electricity price environment. The electricity from these units is sold under a three-year PPA (Power Purchase Agreement) and the Group has secured prices for 2022 and 2023 at more than €300/MWh, thereby optimising the value of the revenues from these facilities.

The additional cogeneration units included in the development strategy up to the end of FY2026 will mainly be constructed on new sites in France and Belgium, although other development opportunities are under consideration in Europe. In particular, the Group is awaiting final approval from the French government to capture and upgrade abandoned mine methane on new sites in the Hauts-de-France region, while making progress concurrently on the operational and financial aspects, including the optimisation of sales contracts at attractive price levels.

### New certification of the Group's gas reserves in Hauts-de-France

On 13 January 2022, FDE announced a new certification of the 2P recoverable abandoned mine methane reserves on the Group's two concessions in Hauts-de-France.

While 360 million m<sup>3</sup> of abandoned mine methane had already been captured and exploited

in the form of gas and green electricity at the report's date since the takeover of Gazonor, this re-certification by DMT, the European certification body for abandoned mine methane resources and reserves (Tüv Nord group), which has been working with the Group for a number of years, now reports reserves of **3.6 billion m<sup>3</sup> (21.6TWh)**, which confirms the sizeable potential for capturing and exploiting abandoned mine methane on the two concessions held in Hauts-de-France, well above the 100MW installed capacity objective by FY2026.

### New certification of the Group's gas reserves in Belgium

On 20 September 2021, the Group announced a 29% increase in certified 2P gas reserves on its Anderlues concession, now totalling **358 million m<sup>3</sup>, i.e. 2.1TWh**. This certification was performed by DMT.

Initially certified at 277 million m<sup>3</sup> in April 2019, the reserves related to the Anderlues concession have increased by 29%, while 12 million m<sup>3</sup> have already been exploited via the two cogeneration units in operation at the date of the report since they were commissioned in May 2019.

## FINANCINGS

### New €40M first green bond issuance

On 15 September 2021, the Group issued its debut green bond for the development of its low-carbon energy portfolio. This financing is provided by Edmond de Rothschild Asset Management (EDRAM), one of Europe's leading energy and infrastructure investment funds.

The green bond will finance the group's existing energy portfolio, currently composed of abandoned mine methane and solar projects in Northern France and Wallonia, and may be extended to other low-carbon projects, such as hydrogen in Europe. The funded projects are in construction phase, development phase or in the group's project pipeline as part of its growth strategy.

The financing is classified as a "Green Bond" and the issuance has been assessed to be compliant with the **Green Bond Principles of ICMA** (International Capital Market Association) through an **opinion from Ethifinance**, a recognised independent expert.

This €40M financing package comprises a first tranche of €25M disbursed at the time of the closing, and an optional second tranche of €15M. This financing is provided at the level of LFDE International SARL, a Luxembourg subsidiary of FDE, without recourse to the parent company, FDE. Consequently, the bond is structurally subordinated to the existing senior loans at the individual project level. The interest rate is 6% initially (lowered to 5.5% when the borrowing group's EBITDA reaches €15M) with a seven-year maturity, given FDE's experience in building and operating prime assets.

### Crowdfunding of €2.5M for the Tritteling photovoltaic project

On 25 August 2021, Falkensun raised €2.5M on the Lendosphere platform to construct the Tritteling-Redlach photovoltaic power plant with the support of 889 investors and contribution of La Nef, a cooperative bank committed to the ecological transition (for €0.85M).

## Repayment of the Triodos loan and ING financing for Phase 1 & 2 of Anderlues

On 30 July 2021, the Group redeemed the outstanding loan from Triodos Bank. A new financing loan was signed on 26 July 2021 between ING Lease and Gazonor Benelux, for the refinancing of the two cogeneration plants in Anderlues for €2.9M and the implementation of a new financial leasing for €6.3M to cover the investment needs of the three new cogeneration plants for Anderlues Phase 2. A drawdown of €3.6M was made on this second tranche at the financial year-end.

## Abandoned Mine Methane enters the Greenfin France green finance label

On 21 February 2022, FDE announced the inclusion of its abandoned mine methane capture activity in the Greenfin France green finance label in the circular economy category.

The Greenfin France green finance label is the flagship public label for the “Energy and ecological transition for the climate”. It specifically singles out investment funds that contribute to the energy and ecological transition. Indeed, for the investor, it is a guarantee of quality and transparency of the environmental characteristics of the funds thus rewarded and specifically of their contribution to the energy transition and the fight against climate change.

## Corporate governance developments

Following the Combined General Meeting of Shareholders of 30 November 2021, the appointments of Mr Jean Fontourcy and Mrs Cécile Maisonneuve, which expired at the end of the previous General Meeting, were not extended.

In order to balance the gender representation on the Board of Directors, the Appointment and Remuneration Committee is actively engaged in selecting female candidates for the Company's Board membership positions, as the issue of gender balance in Board membership is expected to be tabled during a forthcoming General Meeting.

### 3.1.4 Significant events since the end of the fiscal year

On 3 October 2022, FDE announced the issuance of a new €20M green bond to develop its low-carbon energy solutions in Europe. This green bond will finance the Group's existing portfolio of energy solutions, particularly the promising LBG and Bio-CO<sub>2</sub> projects currently being developed by its subsidiary Cryo Pur.

The financing complements the €40M bond issued in September 2021 with BRIDGE, EDRAM's infrastructure debt platform. The financing is classified as a “green bond” and the issuance has been assessed to be compliant with the Green Bond Principles of the International Capital Market Association (ICMA) on the strength of an opinion by Ethifinance.

The bond's a seven-year maturity enables FDE to secure the financial resources required to fast-track its development strategy and achieve its objectives for FY2026, at an initial rate of 6% reduced to 5.5% when the borrowing group reaches €25M EBITDA.

A concession application for the Bleue Lorraine permit was filed in November 2018 and that permit is under implied refusal with an ongoing administrative appeal. In a letter dated 4 October 2022, FDE applied for formal notice to be served on the Minister responsible for mines to provide his observations as soon as possible. The President of the Court granted



FDE's motion and served formal notice on the Minister to provide his observations in defence within three months.

### **3.2 PRESENTATION OF THE COMPANY'S FINANCIAL STATEMENTS**

FDE's annual financial statements for the financial year ending 30 June 2022 were prepared in accordance with the rules of presentation and valuation methods, in compliance with the regulation of the French Accounting Standards Authority (*Autorité des Normes Comptables*) No. 2014-03 of 5 June 2014 on the General Accounting Plan, as well as with subsequent regulations amending certain articles thereof. These rules and methods are identical to those of the previous financial year ended 30 June 2021.

The Company's annual financial statements accounts for the financial year ended 30 June 2022, including the balance sheet, income statement and notes, are included in Section 8.1 of this report.

**3.2.1 Income statement**

Year ended 30 June 2022	30 June 2022	30 June 2021
	€	€
<b>Turnover</b>		
Production in stock / fixed assets	-85 991	146 783
Operating grants		
Reversals of depreciation and provisions, expense transfers	14 143	791 691
Other income	1 525 658	3 113 640
<b>Total operating income</b>	<b>1 453 809</b>	<b>4 052 114</b>
Purchase of goods and raw materials	-	-
Changes in inventories	-	-
Costs of goods and services sold	-1 833 443	-2 207 130
Taxes, duties and similar levies	-19 894	-33 124
Salaries and benefits	-735 859	-701 992
Social security costs	-579 050	-292 211
Depreciation allowances	-2 561	-441 860
Provision allowances	-623 825	-319 104
Other expenses	-50 619	-95 757
<b>Total operating expenses</b>	<b>-3 845 252</b>	<b>-4 091 178</b>
<b>Operating result</b>	<b>-2 391 443</b>	<b>-39 064</b>
Reversals of provisions and expense transfers	10 436	14 577
Other financial income	17 074	9 354
Financial allowances for depreciation and provisions	-150 000	-730
Other financial expenses	-143 505	-210 082
<b>Financial result</b>	<b>-265 996</b>	<b>-186 881</b>
Exceptional income	532 511	57 280
Exceptional expenses	-133 323	-45 691
<b>Exceptional result</b>	<b>399 188</b>	<b>11 588</b>
Employee share ownership	-	-
Income tax	2 018 836	802 001
<b>Net income</b>	<b>-239 414</b>	<b>587 644</b>

**(i) Operating income**

During the year ended 30 June 2022, the Company recognised other income of €1.5M vs €3.1M during the previous year. As in 2021, this mostly involved central and operational services re-charged to the operating subsidiaries (particularly Gazonor, Gazonor Benelux, Gazonor Bethune, FalkenSun and Cryo Pur), mainly personnel and administrative costs incurred by FDE on behalf of its subsidiaries, as well as development services charged to some of its subsidiaries in connection with their new projects. The development services invoiced amounted to €847K at 30 June 2022 compared to €2,348K at 30 June 2021.

**(ii) Operating expenses**

Other external purchases and expenses decreased during the year, largely due to repayment of shareholder loans. The main expenses were concentrated on the Group's development and growth costs, and particularly the acquisition of Cryo Pur during the financial year. The Company's personnel costs amounted to €1.3M in FY2022 (vs €994K in FY2021), primarily as a consequence from increased staff average.

**(iii) Financial result**

For the financial year ended 30 June 2022, the financial result is made up of the interest charge on current account advances to subsidiaries and interest on shareholder advances, as well as an allowance for depreciation of equity investments.

**(iv) Exceptional result**

At 30 June 2022, the exceptional result mainly comprised the €410K gain on the redemption of a supplier receivable at a discounted price from its subsidiary Cryo Pur, said receivable having been incorporated into Cryo Pur's capital at the financial year-end date.

**(v) Income tax**

FDE recognised net tax income of €2.0M for the entire tax group. At 30 June 2022, the Company had unused tax losses carried forward from the tax group amounting to €3.8M.

The Research Tax Credit for calendar year 2021 recognised in the 2022 accounts amounted to €115K while Innovation Tax Credit was €58K.

### 3.2.2 Balance sheet

At 30 June 2022	Gross		Net	
	30 June 2022	Depreciation, provisions	30 June 2022	30 June 2021
	€	€	€	€
Concessions, patents and similar rights	30 036	28 352	1 685	1 685
Other intangible assets	44 139 169	597 893	43 541 275	43 021 655
Technical facilities and industrial equipment	35 892	19 655	16 237	16 839
Other tangible assets	38 651	24 676	13 976	8 063
Assets under construction	57 537		57 537	0
Other investments	5 159 847	1 018 544	4 141 303	151 261
Receivables related to participating interests	17 951 038		17 951 038	17 951 038
Other long-term securities	60 069		60 069	172 482
Other financial assets	12 052		12 052	12 052
<b>Fixed assets</b>	<b>67 484 292</b>	<b>1 689 120</b>	<b>65 795 172</b>	<b>61 335 074</b>
Stocks	60 792		60 792	146 783
Advances and prepayments on orders			0	5 738
Trade receivables and related accounts	1 440 553	623 825	816 728	1 581 852
Other receivables	4 678 857		4 678 857	3 081 679
Cash and cash equivalents	218 683		218 683	305 772
<b>Current assets</b>	<b>6 398 884</b>	<b>623 825</b>	<b>5 775 059</b>	<b>5 121 824</b>
Prepaid expenses	25 234		25 234	32 470
Deferred loan issue costs			0	380 682
Translation adjustment assets			0	1 870
<b>Total Assets</b>	<b>73 908 411</b>	<b>2 312 945</b>	<b>71 595 466</b>	<b>66 871 920</b>

#### (i) Fixed assets

Fixed assets increased by €4.5M during FY2022, with the acquisition of Cryo Pur for €2.5M, as well as a capital increase by incorporation of receivables of €1.6M on 30 June 2022.

Other intangible assets comprise all costs incurred during the prospecting and drilling phases of exploration, and amount to €43.5M as of 30 June 2022, as a result of the work carried out on the Lorraine basin sites.

#### (ii) Current assets

Trade receivables at 30 June 2022 comprised gross receivables of €765K, an impairment of €624K and invoices to be issued to its subsidiaries in connection with re-billed services amounting to €676K.

Other receivables mainly include the Research Tax Credit (amount remaining open as a receivable for €191K at the end of June 2022), the tax consolidation receivable related to the tax due by subsidiaries (€3M), recoverable VAT receivables as well as receivables related to Group current accounts.

**(iii) Cash and cash equivalents**

Cash and cash equivalents amounted to €219K as of 30 June 2022, with the Company's recording a slightly negative cash flow, mainly due to investments during the period.

At 30 June 2022	30 June 2022	30 June 2021
	€	€
Share capital	5 172 813	5 163 970
Issue premiums	44 062 032	44 070 875
Legal reserve	105 762	105 762
Other reserves	72 142	72 142
Carry forward	-930 214	-1 517 858
<b>Financial year result</b>	<b>-239 414</b>	<b>587 644</b>
Investment grant	250 000	250 000
<b>Equity capital</b>	<b>48 493 121</b>	<b>48 732 535</b>
Provisions for risks		9 706
Provisions for charges	1 644 792	1 419 179
<b>Provisions risks and charges</b>	<b>1 644 792</b>	<b>1 428 885</b>
Borrowings and other financial debts	16 815 443	11 940 908
Trade payables and related accounts	992 406	1 049 076
Tax and social security debts	1 871 948	1 155 151
Debts on fixed assets and related accounts	1 476 733	2 549 901
Other debts	256 021	15 463
Advances and prepayments on orders	45 000	
<b>Debts</b>	<b>21 457 552</b>	<b>16 710 500</b>
Translation adjustment liabilities		0
<b>Total liabilities</b>	<b>71 595 466</b>	<b>66 871 920</b>

**(iv) Equity**

As of 30 June 2022, FDE's share capital stood at €5,173K, broken down into 5,172,813 ordinary shares with a par value of €1.00 each, all fully paid up.

During the year, 8,843 new shares were issued following the final allocation of free awarded shares granted to beneficiaries of the fourth plan implemented in 2019. This capital increase was made by incorporation of share premiums, following confirmation by the Chairman on 30 November 2021 that free awarded shares had ultimately been awarded to their rightful beneficiaries.

Apart from the loss being carried over and the recognition of the loss for the period, , loss being carried over and the recognition of the profits for the period, no other changes impacted equity during the year ended 30 June 2022.



**(v) Provisions**

Provisions comprised €1.6M in provisions for restoration, up by €226K due to the annual accretion expense and changes in discount rate assumptions for FY2022. The sites concerned are still Folschviller, Tritteling, Lachambre and Pontpierre.

**(vi) Debts**

Borrowings and other financial debts grew from €11.9M to €16.8M, comprising the Gazonor, EG NPC, LFDE International, Gazonor Béthune and Gazonor Holding current accounts as of 30 June 2022.

Other liabilities decreased by €1.5M, including €1.1M for liabilities on fixed assets and related accounts due to payment of part of the invoice to Entrepose Drilling with whom the Company still has a dispute for €1.4M.

### 3.3 PRESENTATION OF THE GROUP'S CONSOLIDATED FINANCIAL STATEMENTS

The Group's consolidated financial statements for the year ended 30 June 2022 were prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the IASB, adopted by the European Union and applicable at the balance sheet date of 30 June 2022.

The Group's consolidated Financial Statements for the year ended 30 June 2022 appear in Section 9.1 of this report.

#### 3.3.1 Consolidated Income Statement

Year ended 30 June 2022	30 June 2022	30 June 2021
	€	€
Turnover	26 220 447	10 236 073
Other operating income	460 922	710 974
Cost of goods and services sold	-6 342 743	-4 230 624
Other administrative and operating expenses	-6 385 880	-3 559 550
Other income/(expenses)	1 143 251	90 977
Net provisions	1 268 866	-323 753
<b>EBITDA</b>	<b>16 364 863</b>	<b>2 924 097</b>
Depreciation and amortisation	-2 110 102	-1 506 029
<b>Operating income</b>	<b>14 254 761</b>	<b>1 418 068</b>
Financial income	2 336	7 894
Gross financial debt cost	-4 388 584	-1 123 109
Other financial expenses	-182 956	-81 171
<b>Pre-tax earnings</b>	<b>9 685 556</b>	<b>221 682</b>
Current and deferred taxes	-2 486 572	70 963
<b>Net income</b>	<b>7 198 984</b>	<b>292 645</b>
Net earnings, group share	7 314 163	273 562
Net earnings, non-controlling interests	-115 179	19 083
<i>Net per share, group share</i>		
- Basic earnings per share	1,41	0,05
- Diluted earnings per share	1,41	0,05

#### (i) Turnover / other operating income

Up sharply compared to the year ended 30 June 2021, revenues comprise €11.8M in gas sales, €12.9M in electricity sales (including €6.9m in Belgium), €0.4M in heat sales, and €1.2M in Cryo Pur revenues over six months.

As mentioned in section 3.1 of this report, this growth in revenues was mainly driven by increased volumes of gas, electricity and heat sold following the commissioning of the Gazonor Béthune and Cellcius facilities, and the commissioning of three new cogeneration units by Gazonor Bénélux during the year, as well as by higher gas prices in France and

electricity prices in Belgium.

Other operating income amounted to €461K at 30 June 2022 and mainly incorporated the valuation of the Research and Innovation Tax Credit declaration for the 2021 calendar year amounting to €191K and re-billed services for some projects carried out during the year.

## **(ii) Operating expenses**

The bulk of the Group's operating expenses stem from energy, electricity and natural gas costs, totalling €2.6M as of 30 June 2022 (FY2021: €1.9M), as well as maintenance expenses of €1.4M (2021: €1.1M). These increases were mostly due to expanded activity, as well as higher electricity purchase prices on the back of further inflation.

Operating expenses also included personnel costs totalling €3.6M in 2022 vs €2.2M in the previous financial year. This increase was due to the recognition of free awarded shares under IFRS 2, amounting to €633K this year (FY2021: vs €138K), in connection with the fourth, fifth and sixth plans, and the higher average headcount between FY2021 and FY2022 following the integration of Cryo Pur in particular.

A net reversal of provisions of €1.1M was recorded during FY2022, mainly due to revaluation of provisions related to the dismantling costs of the Gazonor site amounting to €1.2M.

Lastly, depreciation and amortization for the year ended 30 June 2022 rose, reflecting mainly the amortization charge related to investments made by Gazonor Béthune.

## **(iii) Financial result**

The Group's debt cost of debt of €4.4M mainly comprised interest charges and financing fees, and increased during the year ended 30 June 2022 (+€3.3M) following the rescheduling of the NEL shareholder loan (now repaid), the non-conversion premium related to the CAP3-RI loan, and the new crowdfunding and bond loans arranged by FalkenSun (€2.5M) and LFDE International (€25M) respectively to support the Group's growth.

## **(iv) Current and deferred taxes**

The current tax charge was €2M at 30 June 2022, composed of €1.2M in tax payable with respect to the French tax consolidation group headed by FDE, €850K of tax payable in Belgium and €5K for an annual contribution in Luxembourg.

The deferred tax charge amounted to €470K. This variation stemmed particularly from the recognised deferred-tax assets on tax-losses carried forward, which decreased over the year with the use of losses carried forward.

### 3.3.2 Consolidated Balance Sheet

Year ended 30 June 2022	30 June 2022	30 June 2021
	€	€
<b>ASSETS</b>		
Goodwill	5 758 856	47 848
Exploration assets	45 996 551	45 546 291
Other intangible assets	3 546	4 187
Proven mining rights	24 261 443	24 508 782
Other tangible assets	29 033 205	19 793 468
Non-current financial assets	1 818 714	1 832 976
Deferred tax assets	1 667 469	2 090 138
<b>Non-current assets</b>	<b>108 539 784</b>	<b>93 823 691</b>
Stocks	563 433	619 879
Trade receivables and related accounts	8 762 185	1 391 136
Other current assets	4 361 505	4 148 165
Prepaid and deferred expenses	261 646	83 780
Cash and cash equivalents	23 985 203	6 981 209
<b>Current assets</b>	<b>37 933 971</b>	<b>13 224 170</b>
<b>Total Assets</b>	<b>146 473 756</b>	<b>107 047 860</b>

#### (i) Non-current assets

Excluding the change in exploration assets already commented on in the FDE parent company accounts, other tangible fixed assets increased by 47%, following investments made at Anderlues 2, Avion 7 and Tritteling.

The positive goodwill recognised at 30 June 2022 largely came from the acquisition of Cryo Pur and to a lesser extent Greenhill (see note 3.1 of notes to the consolidated accounts).

Mining rights are made up of €24.1M in net value of reserves at the Hauts-de-France sites (valuation based on allocation of Gazonor acquisition price by FDE) and €192K in counterpart asset in provisions for restoration works at the Anderlues facility.

#### (ii) Current assets

The trade receivables balance at 30 June 2022 was made up of pending payments from EDF Luminus and invoices for the month of June 2022 issued to the customers Total Gas & Power, EDF Obligations d'Achats, and Dalkia.

Other current assets mainly comprised deductible VAT receivables and social security and tax receivables.

Explanations of changes in net cash are provided in section 3.3.3 of this report.

Year ended 30 June 2022	30 June 2022	30 June 2021
<b>EQUITY CAPITAL AND LIABILITIES</b>		
Capital	5 172 813	5 163 970
Premiums	65 519 886	44 070 875
Other reserves	-14 707 621	5 799 149
Net earnings, group share	7 314 163	273 562
Other equity capital items	25 853	7 889
<b>Equity capital - group share</b>	<b>63 325 093</b>	<b>55 315 445</b>
Non-controlling interests	-232 168	-40 770
<b>Equity capital of the consolidated group</b>	<b>63 092 925</b>	<b>55 274 675</b>
Non-current financial debt	48 861 166	20 809 156
Non-current provisions	3 183 758	4 231 336
Provisions for pension liabilities	63 709	33 532
Deferred tax liabilities	6 427 840	6 379 871
Other non-current liabilities	1 563 750	509 401
<b>Non-current liabilities</b>	<b>60 100 223</b>	<b>31 963 297</b>
Current financial debt	6 910 409	6 303 162
Current provisions	283 576	109 571
Trade payables and related accounts	4 386 301	2 848 929
Fixed assets suppliers	3 980 142	4 856 008
Other current liabilities	7 720 179	5 692 220
<b>Current liabilities</b>	<b>23 280 608</b>	<b>19 809 888</b>
<b>Total equity capital and liabilities</b>	<b>146 473 756</b>	<b>107 047 860</b>

### (iii) Equity

Excluding net profit for the year, the change in consolidated equity was related to recognition of the charge for the three outstanding employee share plans totalling €633K recognised during the financial year ended 30 June 2022, versus €138K the previous financial year.

### (iv) Non-current liabilities

Non-current liabilities due in more than one year mainly included financial debts of €48.9M, an increase of €28M following the issue of a €25M green bond by LFDE International, and the new loans to finance the Group's developments, especially for FalkenSun.

Non-current provisions cover provisions for restoration works in Lorraine, Hauts-de-France and Belgium totalling €3.3M.

### (v) Current liabilities

Current financial debt mainly comprises the current portion of loans from Group subsidiaries for €6.9M.

Trade payables were up at Group level by nearly €1.6M, due particularly to the inclusion of Cryo Pur with a liability of €2.3M that is currently being renegotiated with suppliers.

### 3.3.3 Consolidated Cash Flows

Year ended 30 June 2022	30 June 2022	30 June 2021
	€	€
<b>Operating activities</b>		
Net earnings of the consolidated group	7 198 984	292 645
Current and deferred tax expense	2 486 572	-70 963
Net depreciation and impairment of tangible and intangible assets	2 110 102	1 506 029
Net provisions	-1 268 866	323 753
Gain/loss on asset disposals		
Changes in operating working capital	-8 206 836	911 026
Changes in working capital - other assets and liabilities	308 114	1 220 646
Share-based payment expense	632 784	137 952
Gross financial debt cost	4 388 584	1 123 109
Paid tax	-4 815	-4 815
Other non-monetary items	268 307	-148 952
<b>OPERATING CASH FLOW</b>	<b>7 912 930</b>	<b>5 290 429</b>
<b>Investment activities</b>		
Capitalised exploration costs	-309 475	-246 761
Tangible and intangible investments	-11 183 137	-10 406 805
Proceeds from disposal of tangible and intangible assets	43 406	0
Change in payables on fixed assets	-875 866	962 779
Grants received on investment activities	578 747	652 188
Acquisition/disposal of financial assets	225 461	-360 515
Acquisition of shareholding net of cash	-2 117 548	-95 884
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>-13 638 412</b>	<b>-9 494 998</b>
<b>Financing activities</b>		
Cash flow from bond issues		
Issuance of loans and financial debts (excluding expenses)	31 132 381	11 125 000
Repayment of loans and financial debts	-7 384 583	-3 802 334
Other financial debts	1 840 303	457 555
Cost of net debt: interest paid	-1 931 116	-410 639
Fees paid on borrowings	-786 250	-92 543
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>22 870 735</b>	<b>7 277 039</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>17 145 253</b>	<b>3 072 470</b>
Net cash and cash equivalents at the beginning of the year	6 839 950	3 767 479
<b>NET CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>23 985 203</b>	<b>6 839 950</b>

Cash flows from operating activities were positively impacted by the development of the Group's activities and increased production volumes, as well as strong gas and electricity prices in Belgium. These revenues were largely generated by Gazonor and Gazonor Benelux, which accounted for 88% of Group revenues during FY2022.

The Group's net cash position at 30 June 2022 was €24.0M, soaring by €17.1M vs 30 June



2021. This improvement was on the back of increased cash flow from financing activities of €15.6M vs FY2021, with the Group having arranged new loans, including its first green bond, while pursuing its investments during the year, including the acquisition of Cryo Pur.

### 3.4 OUTLOOK

The Group confirms its objective of sustained growth with continuation of its development in gas capture and exploitation in short circuits, expansion of its solar operations and development of new LBG and Bio-CO<sub>2</sub> projects in France and internationally. The production of blue or turquoise hydrogen as well as CO<sub>2</sub> storage operations are also relevant growth segments for the Group.

FDE continues to develop its strategy based on the implementation of energy solutions in order to produce and exploit local energy in short circuits and contribute to the reduction of the carbon footprint of the territories where it operates.

The current crisis and the recent IPCC reports have once again demonstrated the importance of positioning the Group, as it helps to secure supply for consumers, lower carbon intensity of the energy used and offers greater visibility on sales prices.

Against this backdrop, the Group has achieved its annualised EBITDA margin target of 45% set for 31 December 2022 18 months ahead of schedule, with EBITDA reaching €16.4M in FY2022.

Building on the Group's positioning developed over more than a decade as a low-carbon local energy producer, FDE has announced **new targets for FY2026**, anchored around three key indicators:

- Enhanced environmental contribution with more than **10 million tonnes of CO<sub>2</sub>eq emissions** avoided per year;
- Strong growth to achieve **annual revenues in excess of €100M**; and
- Continued improvement in profitability with **EBITDA exceeding €50M**.

Indeed, FDE's ambition is to achieve by the end of FY2026 an installed capacity of more than 100MW of electricity production from solar energy and 100MW of production from abandoned mine methane captured in the old mining galleries in five regions in order to prevent this fatal gas from being released into the atmosphere. As a reminder, 1MW of installed capacity in electricity produced from abandoned mine methane is equivalent to 3.6MW of wind energy and 6.5MW of solar energy<sup>6</sup>.

FDE is particularly focused on measuring the extra-financial impacts of its operations and is looking to eliminate more than 10 million tonnes of CO<sub>2</sub> yearly by the end of FY2026 with its abandoned mine methane operations, thereby preventing an otherwise unavoidable pollution.

Furthermore, including **gas as a transitional energy in the European taxonomy** confirms the positioning of gas as a pivotal factor in tackling the challenges of the ecological transition in Europe. As the exclusive owner of the largest gas resources in continental Europe found in Lorraine, the Group is preparing to supply local gas to the country's households and industry under the strictest environmental conditions, with a carbon footprint ten times smaller than that of gas consumed in France<sup>7</sup>, thereby also helping to further secure the country's supply.

<sup>6</sup> Source: <https://opendata.reseaux-energies.fr/>; FDE - 2020 data load factor, wind: 26.35%, solar: 14.65% - mine gas: 95%

<sup>7</sup> Study by the Institut für Energie und Umweltforschung in Heidelberg (Baden-Württemberg, Germany) in 2016

As a reminder, Lorraine's certified reserves stand at **6.7 billion m<sup>3</sup> of gas** (1P, 2P and 3P) and on the back of rising energy prices, the net asset value of Lorraine's gas has been estimated at €318m, up sharply from the last certification carried out by MHA (Sproule Group) in 2018. This value of the Lorraine project was estimated in January 2022 on the basis of price curves which have since improved further.

Lastly, several projects in Europe are in the process of being contracted to produce LBG and Bio- CO<sub>2</sub> with Cryo Pur technology. FDE's industrial optimisation and project management expertise will allow for an efficient deployment of the patented technologies developed by this subsidiary by applying the operator model successfully developed by FDE for abandoned mine methane and solar operations in France and Belgium.

Therefore, building on a portfolio of projects currently being finalised, the Group is looking to have more than **10 European sites in operation by FY2026**, with a view to becoming a leading European producer of LBG and Bio-CO<sub>2</sub>.

Additionally, the Group continues to explore **external growth opportunities** in order to broaden the range of energy production solutions for reducing greenhouse gas emissions from both industrial and individual consumers. International opportunities lie in gas production and storage in order to support the confirmed nuclear phase-out in some countries and fast-track the phase-out of coal.

## 4. CORPORATE GOVERNANCE

### Preliminary comments

Pursuant to Order no. 2017-1162 of 12 July 2017 and Decree no. 2017-1174 of 18 July 2017, applicable to the financial year starting 1 January 2017, a report on corporate governance prepared by the Board of Directors has replaced the Chairman's report on internal control and risk management.

In limited companies with a Board of Directors, the information required for this report can be presented in a specific section of the management report. This section covers all information required in the corporate governance report.

### 4.1 MIDDLENEXT CORPORATE GOVERNANCE CODE

Since its shares were listed on Euronext Paris, the Company has referred to the MiddleNext corporate governance code for mid-cap companies, as amended in September 2016 (the "MiddleNext Code").

### 4.2 NON-CONTROL OF THE COMPANY

To the best of the Company's knowledge as of 30 June 2022, none of the Company's shareholders directly or indirectly, alone or jointly, held control of the Company within the meaning of Articles L. 233.3 et seq. of the French Commercial Code.

### 4.3 SEGREGATION OF DUTIES OF CHAIRMAN AND MANAGING DIRECTOR

On 12 October 2020, the Board of Directors accepted a new development in the Group's governance, as proposed by its Chairman and Chief Executive Officer, Julien Moulin. Thus, the Group, which already has a Board of Directors composed mainly of independent, non-executive directors, has implemented the permanent segregation of duties of Chairman and Chief Executive Officer by appointing Antoine Forcinal as Chief Executive Officer.

The new governance system enables the company to meet the most demanding governance criteria and best market practices.

The Rules of Procedure of the Board of Directors specify the respective powers of the Board of Directors, the Chairman, and the Chief Executive Officer.

As governance is a key factor of FDE's good management, the Board of Directors has identified an area to improve governance, namely, gender parity at the board level. The aim is to establish this practice by the end of the 2023 calendar year in order to enhance the company's governance.

## 4.4 PREPARING AND ORGANISING BOARD MEETINGS

### 4.4.1 Information and Board meetings

The Board of Directors has met five times during the financial year, specifically on the following dates: 27 July 2021, 14 September 2021, 19 October 2021, 31 March 2022 and 15 April 2022.

The average annual attendance rate of the directors for meetings held during the financial year was 100%.

For each Director, the attendance rate is tabulated as follows:

DIRECTORS	ATTENDANCE RATE
Mr Julien Moulin	100%
Mr Antoine Forcinal	100%
Mr Alain Liger	100%
MR Christophe Charlier	100%
Ms Cécile Maisonneuve (until 30 November 2021)	100%
Mr Jean Fontourcy (until 30 November 2021)	100%

### 4.4.2 Appointment and tenure of directors

Board members are appointed by the shareholders' meeting on the proposal of the Board, which in turn receives proposals from the Appointment and Remuneration Committee. Board members may be dismissed at any time by decision of the General Assembly.

Pursuant to the Middlednext Code and Article L.225-18 of the French Commercial Code, Article 12 of the Company's Articles of Association sets the terms of office of directors at six years. This duration is consistent with the specificities of the Company's activity, which call for advanced qualifications in the energy sector and hence for sustainable cooperation.

Following the Combined General Meeting of Shareholders of 30 November 2021, the appointments of Mr Jean Fontourcy and Mrs Cécile Maisonneuve, which expired at the end of the previous General Meeting, were not extended.

In order to balance the gender representation on the Board of Directors, the Appointment and Remuneration Committee is actively engaged in selecting and appointing female candidates for the Company's Board membership positions, as the issue of gender balance in Board membership is expected to be tabled during a forthcoming General Meeting.

## 4.5 COMPOSITION OF THE BOARD OF DIRECTORS

At 30 June 2022, the membership of the Board of Directors stands as follows:

Full names (Date of birth and nationality)	Appointment date and term of mandate	Positions in the Group	Other mandates and positions held outside the Group during the past five years
<b>Directors</b>			
<b>Mr Julien Moulin*</b> (Born 12 December 1977, French national)	<u>Appointment date:</u> 23 March 2016, reappointed on 30 November 2021 <u>Term of office:</u> Annual General Meeting to approve accounts for the year ending 30 June 2027.	<ul style="list-style-type: none"> <li>– Chairman of the Company;</li> <li>– Chairman of EG Lorraine SAS;</li> <li>– Chairman of EG NPC SAS;</li> <li>– Chairman of Gazonor SAS;</li> <li>– Director of Gazonor Benelux SA;</li> <li>– LFDE-International SARL representative as Chairman of Gazonor Holding SAS;</li> <li>– Chairman of Gazonor Béthune SAS;</li> <li>– LFDE-International SARL permanent representative as Director of Greenhill SA;</li> <li>– Chairman of Cryo Pur SAS;</li> </ul>	<ul style="list-style-type: none"> <li>– Director of Nextgen Energy Limited (NEL);</li> <li>– Director of European Gas Limited (dissolved on 6 July 2021)</li> </ul>

Full names (Date of birth and nationality)	Appointment date and term of mandate	Positions in the Group	Other mandates and positions held outside the Group during the past five years
<b>Mr Antoine Forcinal</b> (Born 10 March 1982, French and Canadian national)	<u>Appointed as director</u> , General Meeting of 22 December 2017 <u>Term of office</u> : Annual General Meeting to approve accounts for the year ending 30 June 2023.	<ul style="list-style-type: none"> <li>– CEO, Director of the Company;</li> <li>– Managing Director of Gazonor SAS;</li> <li>– Director of Gazonor Benelux;</li> <li>– Managing Director of Gazonor Holding;</li> <li>– Sole Manager of LFDE International SARL;</li> <li>– Managing Director of Concorde Energie Paris EURL;</li> <li>– Managing Director of Gazonor Béthune SAS;</li> <li>– Chairman of Cellcius SAS;</li> <li>– Chairman of FalkenSun SAS;</li> <li>– Director of Greenhill SA;</li> <li>– Managing Director of Cryo Pur SAS;</li> </ul>	
<b>Mr Jean Fontourcy</b> (Born 21/11/1938, French national)	<u>Appointment date</u> : 23 March 2016 <u>until</u> 30 November 2021	<ul style="list-style-type: none"> <li>– Member of the Board of Directors and Chairman of the Remuneration Committee</li> </ul>	<ul style="list-style-type: none"> <li>– Chairman of the Board of Financière de Rosario SA;</li> <li>– Member of the Supervisory Board of EPEE SAS;</li> <li>– Member of the Supervisory Board of Naxicab SAS;</li> </ul>
<b>Independent Directors</b>			
<b>Mr Christophe Charlier</b> (Born 24/04/1972, French national)	<u>Appointment date</u> : 23 March 2016, reappointed on 30 November 2021 <u>Term of office</u> : Annual General Meeting to approve accounts for the year ending 30 June 2027.	<ul style="list-style-type: none"> <li>– Member of the Board of Directors and Chairman of the Audit and Accounts Committee</li> </ul>	<ul style="list-style-type: none"> <li>– Chairman of the Board of Directors of Pure Grass Films;</li> <li>– Director of Oxus Acquisition Corp;</li> <li>– Chairman of Renaissance Capital (until 2020)</li> <li>– Director of Barclays Center (until September 2019);</li> <li>– Director of the Brooklyn Nets (until April 2018);</li> </ul>



Full names (Date of birth and nationality)	Appointment date and term of mandate	Positions in the Group	Other mandates and positions held outside the Group during the past five years
<b>Mr Alain Liger</b> (Born 12/02/1951, French national)	<u>Appointment date:</u> 23 March 2016, reappointed on 30 November 2021 <u>Term of office:</u> Annual General Meeting to approve accounts for the year ending 30 June 2027.	– Member of the Board of Directors and Chairman of the Appointment and Remuneration Committee effective from 31 March 2022	– Managing Director of Tungstène du Narbonnais SAS (until 2020);
<b>Ms Cécile Maisonneuve</b> (Born 23 July 1971, French national)	<u>Appointment date:</u> 23 March 2016 <u>until 30 November 2021</u>	– Director	– Member of the Board of Directors of Fondation Le Corbusier; – Chairman of La Fabrique de la Cité; – Member of the Supervisory Board of The European TK/Blue Agency ETKBA SAS.
*Mr Julien Moulin has also been Chairman of the Company since November 2010, in its former corporate form of a simplified joint-stock company.			

#### 4.6 DIVERSITY POLICY AND REPRESENTATION IN BOARD OF DIRECTORS

Article L.225-17 paragraph 2 of the French Commercial Code and Law no. 2019-486 (“Action Plan for the Growth and Transformation of Companies”) promulgated on 22 May 2019 provide for a balanced gender representation on the board of directors (at least 40% of each gender) for any company with more than 250 employees for the third consecutive financial year and a net turnover or balance sheet total of at least €50m. Given that FDE is yet to fulfil these cumulative requirements, it is under no obligation to apply these requirements of the Commercial Code.

It is specified that a new text resulting from Ordinance No. 2020-1142 in force since 2021 now imposes on listed companies, without threshold conditions, a proportion of directors of each sex which cannot be less than 40%. When this threshold is not met, the new regulations in force provide that the payment of directors' compensation is suspended, and that this payment is reinstated when the composition of the board of directors becomes regular, including the arrears since the suspension.

Based on this next regulation the Appointment and Remuneration Committee is actively engaged in selecting and appointing female candidates for the Company's Board membership positions, as the issue of gender balance in Board membership is expected to be tabled during a forthcoming General Meeting.

#### 4.7 DIRECTOR SELECTION CRITERIA

The Appointment and Remuneration Committee advises the Board on the selection of candidates for reappointment as Directors on the basis of the following criteria: management skills acquired in international French and foreign companies, familiarity with the Company

and its business sector, expertise in environmental, energy, economic, financial and accounting matters and adequate availability.

## 4.8 INDEPENDENCE OF DIRECTORS

### 4.8.1 *Directors' independence criteria*

Pursuant to the Rules of Procedure of the Board, setting out the independence criteria for directors in accordance with the recommendations of the MiddleNext Code, a director is considered independent if that person:

- Is either an employee nor a corporate officer of the Company or of a Group company and has not been one during the last five years;
- Is not and has not been over the past two years in a meaningful business relationship with the company or its group (customer, supplier, competitor, service provider, creditor, banker, etc.);
- Is not a dominant Shareholder of the Company and does not hold a significant percentage of its voting rights;
- Does not have a close family relative of a Corporate Agent or a dominant Shareholder of the Company;
- Has not been an auditor of the Company during the last six years.

These criteria are assessed and weighted by the Board, which may decide that a director, not meeting the criteria set out in the internal regulation, can still be classified as independent in light of his/her specific situation or that of the Company, in view of his/her shareholding, or for any other reason, and vice versa.

### 4.8.2 *Assessing independence of directors*

According to the MiddleNext Code, it is recommended that at least two board members be independent.

After hearing the opinion of the Appointment and Remuneration Committee in light of the MiddleNext Code independence criteria, the Board examined the independence of the directors and considered that two of the four members of the Board are independent, namely: Mr Christophe Charlier and Mr Alain Liger.

## 4.9 MISSION OF THE BOARD OF DIRECTORS

In accordance with the law, the Board is responsible for setting the direction of the Company's activities and overseeing implementation thereof. Subject to the powers expressly vested in the shareholders' meetings and within the scope of the company's purpose, the Board has the power to examine all matters related to the proper functioning of the company and to settle, through its deliberations, all matters pertaining to it.

## 4.10 ROLE OF THE BOARD CHAIRMAN

The Chairman of the Board organises and directs the activities of the Board and reports accordingly to the General Assembly of Shareholders. The Chairman is responsible for reporting on the organisation of the Board's activities, internal control and risk management. The Board Chairman chairs the General Meetings of Shareholders.

All in all, the Chairman oversees the proper functioning of the corporate bodies and compliance with corporate governance principles and practices, particularly with regard to committees established by the Board. He ensures that directors are able to carry out their mission and are properly informed. It takes the time needed to address issues relating to the future of the Group, particularly those pertaining to its strategy.

Pursuant to the Rules of Procedure of the Board, directors are required to promptly inform the Chairman and the Board of any situation involving a conflict of interest, including a potential conflict of interest, as well as any proposed agreement entered into by the Company in which they are or could directly or indirectly hold an interest.

The Chairman of the Board chairs Board meetings and prepares and coordinates its work. As such, he:

- Convenes the Board to meetings, depending on the schedule of meetings agreed with the directors, and decides whether to convene the Board at any other time if necessary;
- Draws up the agenda, supervises the preparation of Board meeting documents and ensures that the information contained therein is complete;
- Ensures that certain topics are discussed by committees in preparation for Board meetings, and ultimately serve as a source of proposals for the Board;
- Directs and facilitates the Board's deliberations;
- Ensures that directors comply with the provisions of the rules of procedure of the Board and committees;
- Monitors implementation of Board decisions;
- Prepares and organises periodic evaluation of the Board in conjunction with the Appointments and Remuneration Committee.

The Chairman may promote the Company, particularly with the public authorities, key customers, investors and partners, both in France and abroad. As the Board's main interface with dominant Shareholders, the Chairman conveys Shareholders' views and concerns to the Board. The Chairman seeks to promote the values and image of the Company in all circumstances, and communicates with third parties on behalf of the Board, unless a specific authority is assigned to another director.

## 4.11 BOARD OF DIRECTORS' COMMITTEES

### 4.11.1 *The Accounts and Audit Committee*

#### (i) The Committee's operations and membership

The Accounts and Audit Committee meets at the initiative of its Chairman or at the request of the Chairman of the Board to review the periodic and annual Financial Statements before they are submitted to the Board. This Committee met twice during the financial year 2022, on 18 October 2021 and 31 March 2022.

The Accounts and Audit Committee consists of three to five board-appointed members as directors on the recommendation of the Compensation and Appointments Committee. Its Chairman is appointed by the Board.

By decision of the Board of Directors of 23 March 2016, following the transformation of the Company into a public limited company, Mr Christophe Charlier was appointed as Chairman of the Accounts and Audit Committee and Mr Julien Moulin as member of the Committee. Following the non-extension Jean Fontourcy's term of office by the General Meeting of 30 November 2021, the Board of Directors appointed Mr Alain Liger on 31 March 2022 as member of the Committee.

Pursuant to Article L. 823-19 of the French Commercial Code and the rules of procedure of the Accounts and Audit Committee, its members must be chosen on the basis of their financial or accounting expertise, and at least one member of the Committee must have specific accounting or financial expertise and be independent with regard to the criteria laid down in the rules of procedure of the Board.

For each member of the Accounts and Audit Committee, the attendance rate is tabulated as follows:

NAME	ATTENDANCE RATE
Mr Christophe Charlier	100%
Mr Julien Moulin	100%
Mr Alain Liger (effective from 31 March 2022)	100%
Mr Jean Fontourcy (until 30 November 2021)	100%

In discharging its mandate, the Accounts and Audit Committee conducts a regular dialogue with the Company's statutory auditors, who participate in the meetings of the Accounts and Audit Committee during the review of the half-yearly and annual financial statements prior to approval thereof by the Board of Directors.

#### (ii) Committee duties

The Committee's duties include reviewing with the statutory auditors the relevance and consistency of the accounting methods adopted for the preparation of the consolidated and parent company financial statements, and formulating an opinion on the draft half-yearly and annual parent company and consolidated financial statements, as well as on CSR issues,

prepared by Management before they are presented to the Board.

Once a year, the Committee examines the plan of action of the statutory auditors, hears, if the Committee so requests, the statutory auditors and the executives in charge of finance, accounting and treasury, supervises the selection procedure of the statutory auditors and formulates an opinion on the amount of fees requested for performing statutory auditing assignments.

With the exception of those provided for by law or another regulatory instrument, the Committee grants prior approval for the statutory auditors to carry out assignments other than the certification of accounts, such as acquisition audits, and ensures that such assignments do not impair their independence and, more especially, that they do not fall within the scope of assignments prohibited by the Commercial Code. The Committee is informed of the fees paid by the Company and its Group to the firm and the network of auditors and ensures that their amount or share in the turnover of the firm and the network and in relation to the fees collected for the auditing mission are not such as would impair the independence of the auditors.

### **(iii) Committee activities**

The main activities of the Accounts and Audit Committee during the financial year ended 30 June 2022 were as follows:

- Review of the Group's financial position and audit plan (including CSR) 2022;
- Review of the annual and half-yearly accounts;
- Review of considered financing options for the business.

## **4.11.2 The Appointment and Remuneration Committee**

### **(i) The Committee's operations and composition**

The Appointments and Remuneration Committee meets at the initiative of its Chairman or at the request of the Chairman of the Board. It held two meetings in the fiscal year, on 23 July 2021 and 20 June 2022.

According to its rules of procedure, the Appointment and Remuneration Committee has a membership of three to five persons, appointed by the Board, on the proposal of the Appointment and Remuneration Committee. The members of the Nomination and Remuneration Committee are selected from among non-executive directors. The Chairman of the Committee is appointed by the Board on the recommendation of the Appointment and Remuneration Committee.

By decision of the Board of Directors of 23 March 2016, following the transformation of the Company into a public limited company, Mr Jean Fontourcy was appointed Chairman of the Committee, and Mr Alain Liger and Ms Cécile Maisonneuve as members of the Committee. Following the non-extension of the terms of office of Mr Jean Fontourcy and Ms Cécile Maisonneuve by the General Meeting of 30 November 2021, the Board of Directors appointed Mr Christophe Charlier on 31 March 2022 as member of the Committee.

For each member of the Appointment and Remuneration Committee, the attendance rate is tabulated as follows:

NAME	ATTENDANCE RATE
Mr Alain Liger	100%
Mr Julien Moulin (effective from 31 March 2022)	100%
Mr Christophe Charlier (effective from 31 March 2022)	100%
Ms Cécile Maisonneuve (until 30 November 2021)	100%
Mr Jean Fontourcy (until 30 November 2021)	100%

## (ii) Committee duties

The Committee is mainly responsible for reviewing and making proposals on compensation and benefits of corporate officers who are members of the Board. The Committee proposes an overall package as remuneration payable to Board members, which proposal will be submitted to the General Meeting of Shareholders of the Company. The Committee gives the Board an opinion on the general policy for allocating employee free shares prepared by the Group's management. It makes its proposal to the Board and explains the reasons for and implications of its choices.

The Committee is informed about the remuneration policy of the main non-executive directors of the Company and of the other companies of the Group and examines any matter submitted to it by the Chairman on the issues referred to above, as well as to proposed capital increases reserved for employees.

The Committee may seek advice from a company specialised in executive compensation.

## (iii) Committee activities

The main activities of the Appointment and Remuneration Committee during the financial year ended 30 June 2022 were as follows:

- Developing the free employee share plan;
- Training directors;
- Developing governance and searching for directors to achieve parity.

## 4.12 COMPENSATION ALLOCATED TO BOARD OF DIRECTORS MEMBERS

Pursuant to legal requirements, information is provided on the total amount of remuneration paid to members of the Company's governing bodies during the financial year ended 30 June 2022 (for further information, see notes to the consolidated financial statements).

Following advice by the Appointment and Remuneration Committee on 9 July 2018, in line with advice earlier received on 30 June 2017, the Board of Directors decided to apportion the remuneration to be awarded to directors (formerly "attendance fees") among members of the Board other than executives, as follows:

- €5,000 for each participation in one of the Board's quarterly meetings;



- €10,000 for the Chairman of the Accounts and Audit Committee;
- €10,000 for the Chairman of the Appointment and Remuneration Committee;
- €5,000 for each member of these two Committees.

The breakdown of remuneration awarded to non-executive directors for the financial years ending 30 June 2022 and 30 June 2021 are tabulated below.

YEAR ENDED	30/06/2022	30/06/2021		30/06/2021	
Non-executive directors		Amounts payable	Amounts paid	Amounts payable	Amounts paid
<b>Christophe Charlier</b> <i>Director</i>	Attendance fees	€22,500	-		€25,000
	Other remuneration				
<b>Alain Liger</b> <i>Director</i>	Attendance fees	€17,500	-		€20,000
	Other remuneration				
<b>Jean Fontourcy</b> <i>Director</i>	Attendance fees				€30,000
	Other remuneration				
<b>Cécile Maisonneuve</b> <i>Director</i>	Attendance fees				€20,000
	Other remuneration				

#### 4.13 INFORMATION ON REMUNERATION DUE OR GRANTED TO THE CORPORATE OFFICERS

This section contains the report on principles and criteria for determining, apportioning and allocating the fixed, variable and exceptional components of the total remuneration and benefits of any kind to be awarded to executive directors by virtue of their office, as laid down in Article L.225-37-2 of the Commercial Code. The General Meeting will be called upon to approve the remuneration principles on the basis of this report.

It is noted that the payment of annual variable compensation and long-term variable compensation for executive corporate officers (Chairman and Chief Executive Officer) for the 2022 financial year is subject to approval by the General Meeting called to approve the financial statements for the financial year ending 30 June 2022.

##### 4.13.1 General principles of remuneration

On the recommendation of the Appointment and Remuneration Committee, the Board of Directors has established the general principles of the remuneration policy for the Chairman and the executive directors, and has assessed the level of achievement of the criteria for this policy.

The general principles of this remuneration policy are to attract, retain and motivate high-calibre executives and to align their interests with value creation for the Group, bearing in mind the Group's capital-intensive nature, its highly technological environment, its long-term investment horizon, growth challenges against a backdrop of fierce competition, well as the highly international nature of its business sector and the Group's vision.

The remuneration policy's competitiveness is assessed primarily in relation to French companies of comparable size (market capitalisation and turnover) and, where relevant, in relation to comparable European companies.

#### **4.13.2 Information on remuneration payable or awarded to corporate officers**

##### **(i) Remuneration and all benefits in kind awarded to executive corporate officers**

###### **(1) Fixed, variable, exceptional and long-term remuneration and other benefits awarded to the Chairman**

Julien Moulin has been a director and Chairman of the Company since 2010. He was reappointed as a director by decision of the General Meeting of Shareholders of 30 November 2021, and reappointed as Chairman for the duration of his directorship by decision of the Board of Directors meeting held on the same day.

Julien Moulin's remuneration as Chairman of the Company is determined in accordance with the principles set out below. These principles were reviewed by the Appointment and Remuneration Committee on 20 June 2022 and decided for the long-term portion by the Board of Directors on 1 July 2022.

The Chairman's remuneration comprises a fixed portion and an annual long-term portion - the latter being determined using criteria set by the Board of Directors, upon consultation with the Appointment and Remuneration Committee and reviewed regularly by the Board.

The long-term incentives are remunerated by awarded free performance shares.

The remuneration awarded for the last financial year are submitted for approval by the shareholders during the ordinary general meeting following the end of the financial year.

###### Fixed remuneration:

The amount of fixed remuneration is determined by the Company's Board of Directors on the proposal of the Appointment and Remuneration Committee, taking into consideration markets, practices and remuneration benchmarked for similar functions in listed companies of the sector with comparable size. The Appointment and Remuneration Committee reviews the Chairman's remuneration once a year, without such review necessarily giving rise to a change in remuneration since the Board's policy opts for stability.

The gross annual fixed remuneration of the Chairman and Corporate Officer remains unchanged at €52,775.

###### Benefits in kind:

The Chairman is entitled to a supplementary health insurance in kind for an annual amount of €5,812.

###### Termination allowances:

In the event of dismissal (except in cases of gross misconduct or gross negligence) or non-renewal of his term of office, the Chairman is entitled to a severance payment. In accordance with the AFEP-MEDEF Code adopted by the Company, this allowance will be equivalent to twenty-four months' remuneration (one month being defined as the sum of the average fixed monthly remuneration paid during the twelve months preceding the end of the term of office).

Pursuant to Article L.225-42-1 of the French Commercial Code, payment of this termination allowance would be conditional by the following performance conditions:

- The payment of half of the compensation would depend on the stock market performance of the Company's securities, and would only be due in the event that the average share price of the Company on Euronext Paris in the last three months prior to the dismissal of Mr Julien Moulin is more than 50% of the average price since the completion of the Company's IPO;
- The payment of half of the allowance would depend on the progress made by the Company in its exploration and production activities, such progress being measured and considered satisfactory if, during the six months prior to the dismissal of Mr Julien Moulin, at least one of the following events occurred: (i) award of at least one new exclusive exploration permit or concession; (ii) commencement of gas production on at least one of the Group's drilling sites; (iii) development of electricity production from Gazonor's output.

#### Variable remuneration:

The Chairman is not entitled to variable remuneration.

#### Exceptional remuneration:

The Chairman is not entitled to exceptional remuneration.

#### Long-term remuneration under free performance share plans:

The Company's long-term remuneration policy is anchored in a strategy of engaging managers and employees in the Company's capital in pursuing the objectives of the remuneration policy established by the Board of Directors, i.e. serving the company's interest and contributing to the Group's strategy and sustainable development.

The decision to award performance shares is made by the Board of Directors pursuant to the powers delegated to it by the Extraordinary General Meeting of Shareholders.

The Combined General Meeting of Shareholders held on 23 March 2016 approved the first free performance share plan to be awarded to all or some of the Group's employees and managers. Following the end of the powers delegated by this 2016 meeting, a similar plan was approved by the shareholders during the Combined General Meeting of 29 November 2019 and then during the meeting of 30 November 2021, whereupon same powers were delegated to the Board of Directors for a period of 26 months.

The total number of employee free shares awarded shall not exceed 5% of the Company's share capital, with a par value of one euro per share.

The Board of Directors is committed to offering a highly motivating remuneration to executive directors over the long term, particularly the Chairman, whose recognised skills and expertise are vital for the Group.

The Board of Directors considers that the Company's combined environmental, operational, safety, economic and financial performance is best reflected in the total return to shareholders. The Chairman's long-term remuneration is therefore fully correlated to the quantitative criterion of total shareholder return generated during the past year. This total return includes capital gains and distributed dividends.

Pursuant to the Plan Regulations, the number of shares permanently vested will be determined at the end of a period of at least two years, based on the performance criteria assessed over the previous financial year and a condition of effective presence in the Group at the end of the vesting period.

On 27 July 2021, the Board of Directors noted that Mr Julien Moulin's performance objectives had been met and proceeded to implement the sixth plan, whereby 16,108 shares were initially awarded to him for an allocation value of €22.5 per share.

The Appointment and Remuneration Committee underscored the excellent financial results, accelerated external growth, and the intensive efforts made to raise the Group's profile with investors, analysts and financiers, focusing particularly on the CSR policy, which helped to improve the related indicators and total returns for the Company's shareholders.

The Chairman and Corporate Officer's long-term remuneration therefore amounts to €362,430 for FY2022 based on 2021 performance.

Payment of the long-term remuneration awarded to the Chairman in respect of the previous financial year or awarded in respect of the said financial year is subject to approval by the Ordinary General Meeting of Shareholders. By decision taken during the General Meeting of 30 November 2021, the shareholders adopted the Chairman's remuneration for the financial year ending 30 June 2021 (Eleventh Resolution) and the Chairman's remuneration policy (Thirteenth Resolution).

YEAR ENDED	30/06/2022		30/06/2021	
	Amounts payable	Amounts paid	Amounts payable	Amounts paid
<b>Mr Julien Moulin, as Chairman of the Company</b>				
Fixed remuneration		€52,775		€69,581
Variable remuneration	-	-	-	-
Benefits in kind	-	€5,812	-	€5,812
Free performance shares (allocation value)*	€362,430			
<b>TOTAL</b>	<b>€362,430</b>	<b>€58,587</b>	<b>€0</b>	<b>€75,393</b>

\* The value of the free share allocation was determined by multiplying the unit value (based on the share price at the allocation date) by the number of free shares awarded to executives.

### **Remuneration under the service agreement between the holding company NEL and LFDE International:**

Following the opinion rendered by the Appointment and Remuneration Committee on 28 September 2020, the Board of Directors decided during its meeting of 12 October 2020 to authorise and approve the signing by LFDE International, of an amendment to the existing contract with NEL, a company owned by Julien Moulin, for the provision of specific public relations services, particularly at the European level, and for the search for financing within the international investor community, particularly those based in London, as well as in Germany and Scandinavia. This contract is expected to run for an indefinite period effective from 1 October 2020.

NEL's services are mainly twofold:

- Public relations services, particularly with government and European authorities, to improve knowledge of methane emissions from former coal mines in France and Europe, the impact on the climate of these gas emissions and regulatory requirements for developing abandoned mine methane capture in Europe
- Research services for external growth and financing operations, including mapping and identification of target companies for the group's external growth and of financial players that could support the development of these activities

In return for these services, LFDE International pays NEL an annual fee of €190,000.

For the financial year ended 30 June 2022, the Group recognised an expense on account of services invoiced by NEL of €190,000 versus €203,000 for FY2021.

Additionally, as NEL grants exclusivity to the Company for energy generation activities, it has been agreed in return to pay NEL an amount equal to two years' consulting fees in the event of termination of the contract.

## **(2) Fixed, variable, exceptional, long-term remuneration and other benefits awarded to the Chief Executive Officer**

Antoine Forcinal has been a director of the Company since 2017 by decision of the general shareholders' meeting of 22 December 2017, and Chief Executive Officer by decision of the Board of Directors meeting of 12 October 2020.

Pursuant to his contract as the Company's Chief Executive Officer, Antoine Forcinal's remuneration is determined in accordance with the principles set out below. These principles were reviewed by the Appointment and Remuneration Committee on 20 June 2022 and decided for the long-term portion by the Board of Directors on 1 July 2022.

The Chief Executive Officer's remuneration comprises a fixed portion and an annual long-term portion - the latter being determined using criteria set by the Board of Directors, upon consultation with the Appointment and Remuneration Committee and reviewed regularly by the Board.

The long-term incentives are remunerated by awarded free performance shares.

The remuneration awarded for the last financial year are submitted for approval by the shareholders during the ordinary general meeting following the end of the financial year.

### Fixed remuneration:

The amount of fixed remuneration is determined by the Company's Board of Directors on the proposal of the Appointment and Remuneration Committee, taking into consideration markets, practices and remuneration benchmarked for similar functions in listed companies of the sector with comparable size. The Appointment and Remuneration Committee reviews the Chief Executive Officer's remuneration once a year, without such review necessarily giving rise to a change in remuneration since the Board's policy opts for stability.

The gross annual fixed remuneration of the Chief Executive Officer and Corporate Officer is €285,279 (including €92,263 under the FDE contract).

### Benefits in kind:

The Chief Executive Officer is entitled to an allowance for his company accommodation equal to €42,000 per year.

### Termination allowances:

In the event of dismissal (except in cases of gross misconduct or gross negligence) or non-renewal of his contract as Chief Executive Officer of the Company, the Chief Executive Officer is entitled to a severance payment. Pursuant to the AFEP-MEDEF Code adopted by the Company, this allowance will be equivalent to nine months' gross fixed salary including variable remuneration, as well as any other financial or in-kind benefit awarded by the Company over the last 12 months prior to the termination of his contract.

### Variable remuneration:

The Chief Executive Officer is not entitled to variable remuneration.

### Exceptional remuneration:

The Chief Executive Officer is not entitled to exceptional remuneration.

### Long-term remuneration under free performance share plans:

The Company's long-term remuneration policy is anchored in a strategy of engaging managers and employees in the Company's capital in pursuing the objectives of the remuneration policy established by the Board of Directors, i.e. serving the company's interest and contributing to the Group's strategy and sustainable development.

The decision to award performance shares is made by the Board of Directors pursuant to the powers delegated to it by the Extraordinary General Meeting of Shareholders.

The Board of Directors is committed to offering a highly motivating remuneration to executive directors over the long term, particularly the Chief Executive Officer, whose recognised skills and expertise are vital for the Group.

The Chief Executive Officer's so-called long-term remuneration is calculated based on two main criteria.

The quantitative criterion of total shareholder return generated during the past financial year. This total return includes capital gains and dividends distributed and represents 80% of the CEO's long-term remuneration package.

The qualitative criterion based on assessments performed during individual interviews which reflect achievement of specific objectives pertaining to team management, environmental impacts, team and operational safety, business development and financial results.

Pursuant to the Plan Regulations, the number of shares permanently vested will be determined at the end of a period of at least two years, based on the performance criteria assessed over the previous financial year and a condition of effective presence in the Group at the end of the vesting period.



On 27 July 2021, the Board of Directors noted that Mr Antoine Forcinal's performance objectives had been met and proceeded to implement the sixth plan, whereby 12,526 shares were initially awarded to him for an allocation value of €22.5 per share.

The Appointment and Remuneration Committee underscored the excellent results in terms of environmental, financial and operational impacts, which led to a significant improvement in total returns for the Company's shareholders.

The Chief Executive Officer and Corporate Officer's long-term remuneration therefore amounts to €281,835 for FY2022 based on 2021 performance.

Payment of the long-term remuneration awarded to the Chief Executive Officer in respect of the previous financial year or awarded in respect of the said financial year is subject to approval by the Ordinary General Meeting of Shareholders. By decision taken during the General Meeting of 30 November 2021, the shareholders adopted the Chief Executive Officer's remuneration for the financial year ending 30 June 2021 (Twelfth Resolution) and the Chief Executive Officer's remuneration policy (Fourteenth Resolution).

YEAR ENDED	30/06/2022		30/06/2021	
	Amounts payable	Amounts paid	Amounts payable	Amounts paid
<b>Mr Antoine Forcinal, as Chief Executive Officer of the Company</b>				
Fixed remuneration	-	€285,279	-	€293,148
Variable remuneration	-	-	-	-
Benefits in kind	-	€42,000	-	€35,000
Free performance shares (allocation value)*	€281,835		€45,533	
<b>TOTAL</b>	<b>€281,835</b>	<b>€327,279</b>	<b>€45,533</b>	<b>€328,148</b>

\* The value of the free share allocation was determined by multiplying the unit value (based on the share price at the allocation date) by the number of free shares awarded to executives.

### (3) Summary of remuneration items for executive directors

The table below summarises executive directors' remuneration items for the financial years ending 30 June 2021 and 30 June 2022.

YEAR ENDED	30/06/2022	30/06/2021
<b>Mr Julien Moulin, as Chairman of the Company</b>		
Remuneration payable for the financial year*	€58,587	€75,393
Valuation of multi-year variable remuneration awarded during the year	-	-
Valuation of options awarded during the year	-	-
Valuation of free performance shares awarded during the financial year**	€362,430	-
<b>Mr Antoine Forcinal, as Chief Executive Officer of the Company</b>		
Remuneration payable for the financial year	€327,279	€328,148
Valuation of multi-year variable remuneration awarded during the year	-	-
Valuation of options awarded during the year	-	-
Valuation of free performance shares awarded during the financial year**	€281,835	€45,533
<b>TOTAL</b>	<b>€1,030,131</b>	<b>€449,074</b>

\*Until the reference document for the financial year ending 30 June 2021, this item also included services invoiced via NEL and presented in the previous section.

\*\* The value of the free share allocation was determined by multiplying the unit value (based on the share price at the allocation date) by the number of free shares awarded to executives.

Executive directors received a total gross remuneration (i.e. salaries, bonuses and free shares awarded) of **€1,030,131 during the financial year ending 30 June 2022** versus €449,074 for the financial year ending 30 June 2021. **Excluding free performance shares**, executive directors received a total gross remuneration (i.e. salaries and bonuses) of **€385,866 in 2022** versus €403,541 in 2021.

The ratios between the level of remuneration of each of the directors (including the impact of NEL services) and:

- the average remuneration, on full-time equivalent basis of the Company's employees other than those of the Corporate Officers, is 3.35× for the Company's Chairman and 4.41× for the Company's Chief Executive Officer,
- the median remuneration on a full-time equivalent basis of the Company's employees other than Corporate Officers is 5.87× for the Company's Chairman and 7.73× for the Company's Chief Executive Officer.

Annual movements, over the last 5 financial years, in the Company's performance, in remuneration of directors, and in average remuneration of the Company's employees, other than directors, is as follows:

Annual change in performance and compensation	30 June 2018	30 June 2019	30 June 2020	30 June 2021	30 June 2022
Company performance - Net Income	-659 858	-476 430	-904 183	587 645	-239 414
Company performance - Equity	49 525 504	49 049 074	48 144 891	48 732 536	48 493 121
Compensation of managers	553 558	508 562	463 562	606 192	575 831
Personnel costs, excluding managers	594 516	379 635	322 941	489 770	585 008
Average full-time workforce, excluding managers	10	8	5	7	8
Average compensation of employees, other than managers	62 036	47 454	64 588	72 559	74 240

## (ii) Remuneration and all benefits in kind awarded to non-executive directors

Information on these remunerations and other benefits appears in section 4.12 of this report.

### 4.14 OTHER BENEFITS

None of the Group's company awarded any loans or guarantees to the Company's directors and executives.

### 4.15 INFORMATION ON THE COMPANY'S SHARE CAPITAL STRUCTURE

#### 4.15.1 Breakdown of the Company's share capital at 30 June 2022

Pursuant to the provisions of Article L. 233-13 of the French Commercial Code, the breakdown of the Company's shareholding structure as at 30 June 2022 is presented below:

Major shareholders >3%	Number of shares	% capital
		%
DURR FAMILY	515 638	10,0%
JULIEN MOULIN	406 178	7,9%
MICHAUD FAMILY	304 386	5,9%
DERFIN & NATELPAU BELGIUM	258 419	5,0%
AXXION	252 587	4,9%
FINANCIERE ARBEVEL	251 217	4,9%
ALLIANZ	227 067	4,4%
<b>Total major shareholders</b>	<b>2 215 492</b>	<b>42,8%</b>
Others (holding <3% of capital)	2 957 321	57,2%
<b>Total number of shares</b>	<b>5 172 813</b>	<b>100%</b>

#### 4.15.2 Statutory thresholds crossed

Having been dissolved during FY2022, EGL no longer holds any FDE shares as at 30 June 2022.

In a letter received on 10 December 2021, the simplified joint-stock company Financière Arbevel, acting on behalf of funds it manages, reported that, on 9 December 2021, it had dropped below the threshold of 5% of FDE's share capital and held 251,217 shares on behalf of the said funds.

In a letter received on 14 January 2022, the consortium composed of Derfin and Natelpau Belgium declared that on 11 January 2022 it had exceeded the threshold of 5% of FDE's share capital and held 258,419 shares.

In a letter received on 14 March 2022, the limited liability company Axxion reported that on 10 March 2022 it had dropped below the threshold of 5% of FDE's share capital and held 252,587 shares.

### 4.15.3 Employee free share plan

The Combined General Meeting of Shareholders held on 23 March 2016 approved an employee free share plan to be awarded to all or some of the Group's employees and managers. This decision was extended by the Combined General Meeting of shareholders held on 29 November 2019 and 30 November 2021. The total number of free shares awarded shall not exceed 5% of the Company's share capital, for a par value of one euro per share, and the free shares will be permanently awarded to the beneficiaries at the end of a vesting period of at least two (2) years from the initial allocation of such free shares and pursuant to the other terms and conditions to be set out in the Plan Regulations.

Following the end of the powers delegated by this 2016 meeting, a similar plan was approved by the shareholders during the Combined General Meeting of 29 November 2019, whereupon same powers were delegated to the Board of Directors for a period of 26 months.

The first, second and third plans culminated in permanent awards during previous financial years.

The fourth plan result in the permanent award of 8,843 shares during the past financial year following the Chairman's acknowledgement on 30 November 2021 that the requirements laid down in the 2019 plan had been fulfilled.

On 4 September 2020, the Board of Directors implemented the fifth plan pursuant to the Plan regulations and awarded 9,791 free shares to 14 beneficiaries.

Lastly, on 27 July 2021, the Board of Directors implemented the sixth plan pursuant to the Plan regulations and awarded 49,290 free shares to 16 beneficiaries.

The breakdown of employee free shares awarded under the two plans still ongoing as at 30 June 2022 is presented below, together with details by beneficiary:

Free share plans	Number of shares initially awarded	Number of shares at 30 June 2022	Fair value
4 September 2020	9,791	9,791	15,3
27 July 2021	49,795	49,290	22,5

It should be noted that the number of shares initially awarded as indicated above does not necessarily reflect the number of shares to be permanently awarded to the beneficiaries, as the shares permanently awarded are conditional on the requirements of being present in the organisation and submitting the documents specified in the Plan Regulations.

#### 4.15.4 Delegations for capital increase

The financial delegations and authorisations applicable as at 30 June 2022 are tabulated as follows:

Type of authorisation	Date of GM (Resolution No.)	Period and expiry	Amount allowed (nominal or %)	Use
Delegation to Board of Directors to reduce share capital by cancelling treasury shares	30 November 2021 (Resolution No. 18)	26 months	– The maximum number of shares that may be cancelled by the Company is 10% of the shares representing the Company's share capital	
Delegation of authority to Board of Directors to decide to increase share capital, by issuing - with preferential subscription rights - shares and/or securities entitling holders to share capital or allocation of debt securities	30 November 2021 (Resolution No. 19)	26 months	– Nominal amount of capital increases limited to €2.5M – Nominal amount of debt securities limited to €50M	
Delegation of authority to Board of Directors to issue ordinary shares and/or securities entitling holders immediately or in future to ordinary shares of the Company, without shareholders' preferential subscription rights, in the event of a public offering	30 November 2021 (Resolution No. 20)	26 months	– Nominal amount of capital increases limited to €1.7M – Nominal amount of debt securities limited to €50M	
Delegation of authority to be granted to Board of Directors to issue ordinary shares and/or securities entitling holders immediately or in future to ordinary shares of the Company, without shareholders' preferential subscription rights, in the event of a public offering	30 November 2021 (Resolution No. 21)	26 months	– Nominal amount of capital increases limited to €1.7M – Nominal amount of debt securities limited to €50M	
Delegation of authority to be granted to the Board of Directors to decide to increase the share capital by issuing shares and/or securities entitling holders to share capital or award of debt securities, with cancellation of the preferential subscription right in favour of beneficiary categories	30 November 2021 (Resolution No. 22)	18 months	– Nominal amount of capital increases limited to €1.7M – Nominal amount of debt securities limited to €50M	
Delegation of authority to be granted to the Board of Directors to increase the amount of issues, while maintaining or cancelling the shareholders' preferential subscription rights, pursuant to the nineteenth, twentieth, twentieth and twenty-first and twenty-second resolutions)	30 November 2021 (Resolution No. 23)	26 months	– 15% of initial issue	

Type of authorisation	Date of GM (Resolution No.)	Period and expiry	Amount allowed (nominal or %)	Use
Authority to be delegated to the Board of Directors to set the price of issues of ordinary shares or securities that are equity securities entitling the holders to other equity securities or to award of debt securities, or securities entitling the holders to equity securities to be issued, carried out by way of a public offering	30 November 2021 (Resolution No. 24)	26 months	– 10% of share capital (on the day the issuance price is set by the Board of Directors), per 12-month period.	
Powers to be delegated to the Board of Directors for the purpose of deciding to issue ordinary shares or securities entitling the holders to the Company's share capital,  with cancellation of the shareholders' preferential subscription right, in return for contributions in kind made to the Company	30 November 2021 (Resolution No. 25)	26 months	– 10% of share capital (on the day the issuance price is set by the Board of Directors)	
Authority to be delegated to the Board of Directors to increase the share capital by issuing equity securities or securities that are equity securities entitling the holders to other equity securities of the Company or to award of debt securities, or securities entitling the holders to equity securities to be issued, with cancellation of the preferential subscription right in favour of members of a savings plan	30 November 2021 (Resolution No. 26)	26 months	– 2% of share capital (on the day of the Board of Directors' decision)	
Authority to be delegated to the Board of Directors to award free shares, whether existing or to be issued, to employees and executive officers of the Company and of the Group's companies	30 November 2021 (Resolution No. 27)	26 months	– Limited to 250,000 shares with a par value of €1 each, i.e. less than 5% of the share capital	Decision by the Board of Directors meeting of 27 July 2021 to adopt the 2021 free share allocation plan and delegation of powers to the Chairman to implement the plan
Authority to be delegated to the Board of Directors to decide on a share capital increase by incorporation of premiums, reserves, profits or other items to be allowed for capitalisation	30 November 2021 (Resolution No. 28)	26 months	– Amount limited to €2.5M	



#### **4.15.5 Movements in FDE securities**

As at 30 June 2022, the Company's shares were traded at a value of €51.2 versus €21.8 on 30 June 2021 on the C compartment of Euronext Paris.

#### **4.15.6 Company's intervention on its securities**

During the financial year ended 30 June 2022, the Company carried out transactions in its own shares under the liquidity contract entered into with Louis Capital Markets UK LLP / Midcap Partners as investment services provider. A new liquidity contract was established on 15 March 2019 with the same service provider, under the same terms and conditions as the previous one.

As of 30 June 2022, the Company held 2,574 of its own shares versus 7,912 equity shares in 2021, i.e. 0.05% of the share capital, acquired at an average cost price of €23.34 (FY2021: €21.89).

#### **4.15.7 Procedures for shareholder participation in the General Meeting**

These procedures are set out in Article 23 of the Company's Articles of Association.

#### **4.15.8 Procedure for assessing agreements on current transactions**

Efforts are ongoing to establish the procedures for regular assessment of these agreements and will be finalised during the financial year ending 30 June 2023.

## 5. OTHER ASPECTS OF CORPORATE GOVERNANCE

### 5.1 MANAGEMENT AND LIMITATIONS ON POWERS

#### (i) Corporate governance system

It is noted that the Company has adopted the form of a public limited company with a Board of Directors by decision of the Combined General Meeting of 23 March 2016, prior to the Company's shares being listed on the Euronext Paris regulated market.

In this corporate form, the Board of Directors may opt for the dissociation of the functions of Chairman and General Manager or for the uniqueness of these functions. As noted in the MiddleNext Code of Corporate Governance, the law does not prefer any given formula and it is up to the Board of the Company to choose between the two systems of corporate governance according to its specific requirements.

During its meeting held on 12 October 2020, the Board of Directors changed the Group's governance in order to permanently segregate the duties of Chairman from those of Chief Executive Officer. Mr Antoine Forcinal was thus appointed the Company's Chief Executive Officer, while Mr Julien Moulin remains Chairman of the Board.

#### (ii) Limitation of powers of the Chief Executive Officer

The Chief Executive Officer is vested with the broadest powers to act in all circumstances on behalf of the Company. Indeed, he exercises such powers within the scope of the corporate purpose and subject to those powers expressly conferred by law to the shareholders and the Board. Together with the Chairman, he represents the Company in its interactions with third parties.

The Chief Executive Officer exercises powers within the scope laid down in the rules of procedure the Board of Directors as internal rules and regulations.

### 5.2 SHAREHOLDER PARTICIPATION IN GENERAL MEETINGS

#### (i) Convening meetings

Joint decisions are taken by shareholders during ordinary, extraordinary, special or combined general meetings depending on the kind of decisions to be taken.

General meetings are convened and deliberate under the conditions laid down by law. They are held at the registered office or at any other venue specified in the meeting notice.

#### (ii) Meeting participation requirements

The right to attend meetings is subject to registration of shares in the name of the shareholder or of the intermediary registered on the shareholder's behalf on the second business day prior to the meeting at midnight, Paris time, either in the registered share accounts kept by the Company or in the bearer share accounts kept by the authorised intermediary.

Registration or recording of shares in the bearer share accounts held by the authorised intermediary shall be evidenced by a certificate of participation issued by the latter, attached

to the absentee voting or proxy form or the request for an admission card prepared on behalf of the shareholder or on behalf of the shareholder represented by the registered intermediary. A certificate is also issued to shareholders wishing to attend the meeting in person and who have not received their admission card by midnight (Paris time) on the second business day prior to the meeting.

### **(iii) Videoconference**

By decision of the Board of Directors, shareholders may participate in a general meeting by videoconference or by means of telecommunication and remote transmission, including the Internet, under the conditions provided for by the regulations applicable at the time of its use. This decision is made known in the notice announcing and/or convening the meeting. In such a case, these shareholders are deemed to be present when calculating the quorum and the majority for this assembly.

### **(iv) Absentee voting**

Shareholders may vote by mail or by proxy in accordance with the law and regulations. Under the conditions set by the regulations in force, shareholders may send their postal voting form with regard to any general meeting, either in paper form or, upon decision of the Board of Directors published in the notice announcing and/or convening the meeting, by remote transmission under the conditions set out in the said notice. Notice of appointment of voting proxy, as well as notice of cancellation of voting mandate, may be given by means of a paper or electronic form.

The completion and signing of electronic forms may take the form, upon prior decision by the Board of Directors, of a reliable identification process in line with the conditions laid down in the first sentence of paragraph 2 of Article 1316-4 of the Civil Code, which may comprise an identifier and a password, or any other means specified by the regulations in force. The proxy or vote thus expressed before the meeting by such electronic means, as well as acknowledgement of receipt thereof, will be considered as non-revocable writings enforceable to all, on the understanding that in the event of a securities transfer occurring before the third business day prior to the meeting at midnight, Paris time, the Company will invalidate or modify accordingly, as the case may be, the proxy or the vote expressed before said date and time.

### **(v) Attendance sheet**

An attendance sheet is certified as accurate by the Bureau of the assembly, in accordance with applicable regulations.

### **(vi) Bureau and Chair**

Meetings shall be chaired by the Chairman of the Board of Directors or, in his/her absence, by any other person elect by Board members.

The Bureau of the meeting includes the Chairman, appointed as stated above, and two scrutineers. The bureau appoints a secretary, who may be chosen from outside the Shareholders.

### **(vii) Minutes of proceedings**

Meeting proceedings are recorded in minutes signed by the bureau members and kept in a special register in accordance with the law. Copies and extracts of such minutes shall be validly certified under the conditions laid down by law.

## **5.3 ITEMS LIKELY TO HAVE AN IMPACT IN THE EVENT OF A PUBLIC OFFERING**

The elements that may have an impact in the event of a public offering are listed below:

- Company share capital structure: see section 4.15.1 of the annual financial report describing the shareholder structure as at 30 June 2022;
- Statutory restrictions on exercising voting rights and transfers of shares or clauses brought to the Company's attention: no such restrictions or clauses;
- Direct or indirect holdings in the Company's share capital known to it: the Company is not aware of any such shareholdings during the year;
- List of holders of any securities with special controlling rights and a description thereof: the Company is not aware of the existence of any such special controlling rights;
- Control mechanisms provided for in a possible system of employee ownership, when control rights are not exercised by the latter: nothing;
- Control mechanisms provided for in any employee share ownership scheme, where controlling rights are not exercised by employees: none;
- Agreements between shareholders known to the Company and which may result in restrictions on share transfers and exercise of voting rights: the Company is not aware of any such agreements;
- Powers of the Board of Directors, particularly the issuing or acquisition of shares: the delegations granted by the general meeting of shareholders of the Company to the Board of Directors are provided in paragraph 4.15.3 of the annual financial report;
- Agreements providing compensation for members of the Board of Directors (Chairman and CEO) or employees, if they resign or are dismissed without just cause or if their employment ends due to a public offering. (See section 4.13.3 of this report).

## 6. OTHER INFORMATION REPORTED

### 6.1 RESEARCH AND DEVELOPMENT

For the calendar year 2021, FDE recognised a Research Tax Credit (CIR) and Innovation Tax Credit (CII) amounting to €191K. The CIR recognised for FDE mainly covers personnel expenses incurred on the “Bleue Lorraine” project, named after the exclusive research permit for recovery of coal gas present in the subsoil. Cryo Pur recognised €339K of CIR for 2021, before integration into the consolidated scope: Cryo Pur’s 2021 CIR covers personnel expenses for various R&D programmes on development of LNG purification processes, cold energy recovery, a cryogenic bench for testing nitrogen exchangers, etc.

Some of this research activity is being carried out within the framework of the *REssources GAzières de LORraine* (REGALOR) project, which has been selected as one of the flagship projects by the Grand Est Region under the “Pacte Etat Lorraine (action no. 8)” regional scheme and the Materials and Energy Valley “Regional Competitiveness and Employment” priority goal of the FEDER-FSE Lorraine and Massif des Vosges 2014-2020 Programme. This research activity, carried out with assistance from the Georessources Laboratory (UMR UL-CNRS), under the joint supervision of CNRS and Université de Lorraine, seeks to fast-track implementation of an industrial-scale demonstrator for production of gas from coals and its exploitation in short circuits. The goal of this project is to offer specific conclusions by late 2023.

In accordance with the accounting rules applicable under IFRS and French GAAP, the Group’s exploration activities are not recognised as an expense but are rather capitalised.

### 6.2 EMPLOYEE SHARE OWNERSHIP

No company savings plan has been set up for the Company’s employees. Employee share ownership is ensured through employee free share plans.

As at 30 June 2022, the employee shareholding calculated pursuant to the provisions of Article L. 225-102 of the French Commercial Code was 1%.

### 6.3 SUMMARY STATEMENT OF TRANSACTIONS BY DIRECTORS AND PERSONS CLOSE TO THEM

During the financial year ended 30 June 2022, neither the officers nor their relatives carried out any purchases or sales of securities.

### 6.4 APPROPRIATION OF EARNINGS

In accordance with the provisions of Article 243 bis of the General Tax Code, it is noted that no dividend has been distributed for the last three financial years.

A proposal will be made to fully appropriate the entire loss for the financial year as reflected in the Company’s annual accounts as at 30 June 2022, i.e. €239,414, to retained earnings. The latter will thus increase from a debit balance of €930,214 to a debit balance of €1,169,628.

## 6.5 NO LOANS

During the financial year ended 30 June 2022, the Company did not grant, as an accessory to its main activity, any loans to companies with which it entertains business ties justifying same (Article L.511-6, 3bis-al.2 of the Monetary and Financial Code).

## 6.6 NON-TAX DEDUCTIBLE EXPENSES

Pursuant to the provisions of Articles 223 quater and 223 quinquies of the General Tax Code, we inform you that the amount of the Company's expenses and charges referred to in Article 39-4 of the said Code is €2,878 for the financial year ending 30 June 2022.

## 6.7 TABLE OF EARNINGS FOR LAST FIVE YEARS

In accordance with the provisions of Article R.225-102 of the French Commercial Code, a table showing the results of our Company for each of the last five years is attached to this report.

Year-end	30/06/2022	30/06/2021	30/06/2020	30/06/2019	30/06/2018
Financial year (months)	12	12	12	12	12
<b>CAPITAL AT YEAR-END</b>					
Share capital	5,172,813	5,163,970	5,155,890	5,150,659	5,065,174
Number of ordinary shares	5,172,813	5,163,970	5,155,890	5,150,659	5,065,174
Number of bonds convertible into shares					
<b>OPERATIONS AND RESULTS</b>					
Pre-tax turnover					
Earnings before tax, profit-sharing, depreciation and provisions	1,631,864	546,608	(1,491,189)	(2,366,911)	(330,593)
Income tax	2,018,836	802,001	593,057	1,898,243	-
Employee share ownership					
Allowances for depreciation and provisions	(626,387)	(760,964)	(6,051)	(7,762)	(329,265)
Net income	(239,414)	587,644	(904,183)	(476,430)	(659,858)
<b>EARNINGS PER SHARE</b>					
Earnings after tax, profit-sharing and before depreciation and provisions	0.07	0.26	(0.17)	(0.09)	(0.06)
Earnings after tax, profit-sharing, depreciation and provisions	(0.05)	0.11	(0.17)	(0.09)	(0.13)
Dividends paid per share	-	-	-	-	-
<b>PERSONNEL</b>					
Average staff complement	8	7	7	10	12
Wage bill	735,859	701,992	696,503	768,197	1.009.328
Social security costs	579,050	292,211	292,283	269,870	422,714

## 6.8 INFORMATION ON PAYMENT TERMS

Pursuant to the provisions of Articles L.441-6-1 al.1 of the French Commercial Code and D.441-6 as amended by Decree 2017-350 of 20 March 2017, information on payment terms for the Company's suppliers and customers is provided in the table below (amounts in K€).

	Article D. 441-4 I.-1: Unpaid invoices <u>received</u> at the year-end and passed their due date						Article D. 441-4 I.-2: Unpaid invoices <u>issued</u> at the year-end and passed their due date					
	0 day (rough guide)	1 to 30 days	31 to 60 days	61 to 90 days	91 days or more	Total (1 day and more)	0 day (rough guide)	1 to 30 days	31 to 60 days	61 to 90 days	91 days or more	Total (1 day and more)
(A) Late payment brackets												
Number of affected invoices	23					85	1					0
Total amount of invoices affected (incl. VAT)	91	56	60	42	315	473	0	16	0	0	0	16
Percentage amount of purchases (incl. VAT) for the year	4%	3%	3%	2%	14%	22%						
Percentage turnover (incl. VAT) for the year								0%				
(B) Invoices excluded from (A) for disputed or unrecorded payables and receivables												
Number of excluded invoices	2						1					
Total amount of excluded invoices	1,427						749					
(C) Standard payment periods used (contractual or legal - Article L. 441-6 or Article L. 443-1 of the Commercial Code)												
Payment deadlines used to calculate late payments	x Contractual terms: variable terms depending on supplier, in accordance with legal provisions and regulations						x Contractual deadlines: 30 days <input type="checkbox"/> Legal deadlines: (specify)					

*This table does not include invoices not received and to be issued at the reporting date.*



## 7. RISK FACTORS AND MANAGEMENT MEASURES

The Group operates in an ever-changing economic, technological and regulatory environment. FDE is therefore exposed to cyclical or structural risks which, should they materialise, could adversely impact its current operations, finances or development. Faced with such risks, the Group is developing internal control tools to prevent and control them.

A total absence of risk cannot be guaranteed. Thus, the Group may potentially be exposed to other non-specific risks, or risks it is unaware of, or whose potential consequences could be underestimated, or whose occurrence is not considered, at this time, as likely to have a material negative impact on the Group.

This section presents the top risk factors specific to the Group, to which it believes it is exposed at the date of this report, with details by the main general, operational and financial, environmental and legal risks.

		Assessment of materiality*
GENERAL RISKS	Pandemic risk	2
	Digital risks	2
	Human resources risk	3
	Competition risk	3
	Innovation risk	2
OPERATING RISKS	Non-compliance risk	3
	Reserves risk	4
ENVIRONMENTAL RISKS	Industrial and environmental risk	2
	Climate risk	1
FINANCIAL RISKS	Price risk	2
	Counterparty risk	2
	Financial volatility risk	1
	Acquisition integration risk	3
REGULATORY, TAX AND LEGAL RISKS	Risk from changes in the regulatory environment and public policies	4
	Litigation risks	1

\*Risk assessment from 0 to 5, 0 being no risk, 5 a high risk

### 7.1 GENERAL RISKS

#### Pandemic risk:

Since the beginning of 2020, the health crisis arising from the spread of COVID-19 has clearly exacerbated a number of risk factors, including business continuity and human resource management risks. In particular, the pandemic could have impacted the ability of its partners, subcontractors and, to a lesser extent, team members, to travel to its production sites, thereby creating potentially significant delays in completion of its construction and/or maintenance work.

**Example of management:**

The Group has established and is equipped with available business continuity plans that can be quickly implemented to ensure continuity of its electricity, gas and heat production. These plans are mainly focused on organisation of the operating teams and subcontractors that have to intervene on the Group's sites.

**Digital risks:**

The Group's activities depend on the reliability and security of its information systems, some of which are managed by third parties, and are vulnerable to being compromised, damaged, disrupted or shut down due to cyber-attacks (viruses, computer intrusions, etc.). If the Group and its service providers were unable to maintain the integrity of its critical information systems and sensitive data, the Group's operations and assets could be affected, services offered by the Group could be interrupted, protected intellectual property rights could be infringed or stolen and, in some cases, personal injury, property damage or environmental damage, as well as regulatory violations, could occur, which may adversely affect the Group's financial position and reputation as well as expose the Group to legal action.

**Example of management:**

The Group has implemented customised dual security on access to its employees' Office 365 environments to reduce the risk of intrusion on online storage, emails and documents. In addition, it has separated the system managing production data from the system housing administrative data and restricted access to each network.

**Human resources risk:**

The Group's success largely depends on the expertise and experience of its directors and senior managers who play a key role in its day-to-day operations. If the Group fails to retain and appropriately replace these key individuals in a timely manner, its business could be seriously and adversely affected.

The Group's business also depends on its ability to attract and retain qualified personnel. The Group needs skilled personnel to provide technical and engineering services for the exploration, production and development of gas resources. For example, the Group's objectives to develop its coal bed methane assets in Lorraine require identification and retention of personnel with specialist experience in drilling and developing natural resources in France, without whom the Group may be obliged to incur higher costs or delay its development.

**Example of management:**

Having an employee shares plan for all Group employees contributes to the stability of qualified personnel. Additionally, management devotes a significant part of its time to the search for talent and to the individual development of each employee, in order to sustainably support the Group's growth.

**Competition risk:**

The Group operates in a demanding international business environment where there is competition among producers of Renewable Energies. FDE is a young company engaged

in power generation and may be exposed to stiff competition from large, well-established companies in this field with greater financial resources, more employees and larger facilities.

Additionally, since the acquisition of Cryo Pur, FDE is also active in the market for the conversion of gas into LBG and Bio-CO<sub>2</sub>. However, there are other gas treatment processes which, although not achieving the same result, may be preferred by certain potential customers.

Consequently, the Group's inability to compete effectively could have a material adverse effect on its business, financial position, operating results, prospects and future operations. The main areas where the Group faces competition include:

- acquisition of exploration and production licences through competitive bidding processes or tenders managed by government authorities;
- acquisition of other companies that may hold existing licences or assets;
- use of third-party service providers whose ability to provide essential services may be limited;
- entering into commercial agreements with customers;
- sale of gas, electricity and heat; and
- hiring highly qualified professional staff.

Although the Group has an operating monopoly on its concessions in France and Belgium, its competitors reportedly include Infynis in the UK, Steag and RWE in Germany for abandoned mine methane and coal seam gas, and other French renewable energy producers (ENRR) such as Akuo, Albioma and Innovent.

#### Example of management:

The Group's entire business is protected by exclusive, long-term permits or licences, on which competitive bids have already been made. In order to meet the long-term commitments that the Group makes to its customers, it secures long-term leases to ensure viable deployment of its facilities.

#### **Innovation risk:**

The Group operates in a high evolving technological environment. Should alternative energy sources, such as hydroelectric, wind or solar power, become more cost-competitive through technological developments, demand for traditional energy sources, such as natural gas, could decline.

In particular, the Group's competitors could move into the production phase more quickly or at lower cost, or more generally on better financial terms. This could narrow down growth opportunities.

With the acquisition of Cryo Pur, the Group is also exposed to increased competition in the field of gas treatment and LBG generation. Using these processes based on eight major international patent families, the LBG and Bio-CO<sub>2</sub> obtained by Cryo Pur meet the needs of all types of applications. However, new players are developing alternative solutions that could impact its positioning or growth opportunities.

### Example of management:

FDE identifies and maintains a permanent watch on innovations that could alter the sector and its applications. The acquisition of Cryo Pur demonstrates the Group's ability to position itself in innovative areas.

## **7.2 OPERATING RISKS**

### **Non-compliance risk:**

The Group operates its industrial facilities in a highly regulated environment, particularly on the environmental front. The Group's activities in France are governed by all the legislative and regulatory provisions resulting from the transposition into French law of European environmental protection directives and regulations. The facilities are supervised by the Prefects and the Environment, Planning and Housing Departments (DEAL), which are responsible for inspecting them. In the event of non-compliance with the regulations, irrespective of any criminal proceedings, the Prefects can impose administrative sanctions that can go as far as suspending the operation of the facilities concerned, not ruling out the possibility of proposing the outright closure of the facilities by decree taken by the Council of State.

### Example of management:

The Group constantly monitors compliance with the applicable laws and regulations, keeping a constant watch on the applicable regulations and carrying out specific and continuous monitoring of operation of its facilities. Despite being vigilant, the Group cannot totally rule out the risk of occasionally being confronted with a situation of non-compliance, which it then endeavours to correct as quickly as possible.

### **Reserves risk:**

The Group's business, which mainly involves identification, evaluation and production of gas, depends on the analysis of geological data and evaluations describing potential or identified reserves and resources.

However, the determination of these data is a subjective process and cannot be measured accurately although it is derived from expert reports (such as Competent Person Reports), interpretations of seismic data and well test results and in some cases production history.

Additionally, estimates of gas resources and reserves may require revision or modification based on the changing technical and gas price environment.

The Group's actual production, sales and expenses related to its gas reserves and resources are therefore likely to differ from the estimates, and these may be material differences. Any inaccuracy in the Group's estimates of proved and probable reserves could result in reduced profitability due to lower-than-expected revenues or higher than expected expenses and could alter the value of its shares.

### Example of management:

With regard to identification of reserves and resources, the Group relies particularly on data extracted from reports, including CPRs, which were prepared in accordance with the standards

established by the Petroleum Resources Management System in 2007, approved by the Society of Petroleum Engineers, as well as on historical data collected by Charbonnages de France. The history of reserve certifications demonstrates the conservative nature of the reserve volumes certified by FDE, as each new certification indicated an increase in gas reserves, despite volumes produced.

### 7.3 ENVIRONMENTAL RISKS

#### Industrial and environmental risk:

The Group operates power generation facilities based on exploitation of gas abandoned mine methane. These facilities do not require any public enquiry or an impact study on fauna or flora when submitting the DAOTM (authorisation to commence mining operations) application documents.

However, the operation of combustion facilities involves a risk of industrial accidents that may result in a more or less prolonged interruption in the operation of production equipment, or even in partial or total destruction of the facility. The Group is highly exposed to:

- a fire hazard, and;
- risk of explosion on its facilities;

The damage incurred by the Group may be covered, beyond the applicable deductibles, by the application of its insurance programme, provided that said damage was caused by an insured event. Such incidents could also cause damage to persons, property or the environment, whereupon the Group could face claims for compensation and/or criminal proceedings.

#### Example of management:

The Group has established procedures to minimise the risk of such incidents occurring and to reduce their potential impact on people, property and the environment. These procedures may stem from compliance with legislative and regulatory provisions specifically applicable to the Group's activity, or they may be the result of the Group's own continuous improvement initiative or of a joint risk management approach implemented with its insurers. The operation subsidiaries regularly carry out internal audits of such processes, as part of the established Quality Management System (ISO 9001-2015).

#### Climate risk:

Due to the nature of some of its activities, the Group is exposed to risks related to climatic conditions. The Group's solar business is specifically vulnerable to the risk of a prolonged decline in sunshine that could affect its results. Such uncertainty is factored into the preliminary project studies.

#### Example of management:

In-depth impact studies are conducted as part of operating permit applications in order to anticipate and take into account these risks. With regard to climate change, the strategy pursued by the Group enables it to reduce the carbon footprint of the energy used in the territories where FDE operates. As a reminder, FDE is currently one of the few energy producers with a negative carbon footprint in Europe.

## 7.4 FINANCIAL RISKS

### Price risk:

FDE's results are sensitive to various environmental parameters, the most significant of which are gas prices (in France) and electricity prices (in France and Belgium).

The prices of these energies can fluctuate significantly due to factors beyond FDE's control, such as: - international and regional economic and political developments in resource-producing regions, global economic conditions and financial market conditions; - government regulations and actions; - changes in global and regional energy supply and demand due to changes in consumer preferences, due to pandemics such as COVID-19 or conflicts such as the Russia-Ukraine crisis.

In addition to the negative effect on the Group's revenue, margins and profitability, a prolonged period of low natural gas prices may prompt the Group to revise its development projects, to make downward adjustments to the Group's published reserves, and to revise the price assumptions on which impairment tests are performed, thereby ultimately having a negative impact on the Group's results for the period in which they are recognised.

In contrast, high gas and electricity prices enable it to increase its turnover albeit increasing its electricity costs in return. Benefiting from ARENH rights for the supply of a large share of the electricity required to operate its facilities, the Group structurally buys less electricity than it produces, thus limiting the impact on its results.

### Example of management:

The Group has sales contracts at guaranteed fixed prices for part of its electricity, gas and heat production and has arranged gas and electricity price hedges for the rest of its production exposed to market prices.

However, current market prices well above the power feed in tariff price in France open up new sales models to optimise the value of revenues generated by its facilities.

### Counterparty risk:

Generally, given the strength of its customers in France and Belgium, the Group has little exposure to counterparty risk.

In the context of the abandoned mine methane business in France, the Group mainly sells the electricity it produces under long-term contracts with EDF OA in France under a purchase obligation. As for the gradual implementation of purchase contracts outside the regulated framework of the purchase obligations, FDE is committed to working with solid creditworthy partners.

For the rest of its activity, the Group has concluded contracts for the sale of its electricity, gas and heat with major commercial companies and leading local authorities. Nevertheless, the breakdown of the Group's relationships with these customers may have a material adverse effect on its results.

Additionally, despite the care taken in their selection, the inability of a supplier or subcontractor to deliver an agreed service as a result of a default, either during the construction phase

of an installation or during the operating phase, could cause a delay in the industrial commissioning or unavailability of the installations, which would ultimately have a negative impact on the Group's results.

Example of management:

The Group's selection of solid partners, both operationally and financially, is likely to reduce the probability of occurrence of this risk, albeit without eradicating it. The performance of each partner is assessed annually on the basis of a multi-criteria grid, and so-called critical partners are subject to implementation of dedicated action plans, in order to prevent any deviation from the Group's performance criteria.

**Financial volatility risk:**

The Company's share price is likely to be affected by high volatility. The market price of the Company's shares may be prone to high volatility and may vary depending on a number of factors beyond the Company's control. These factors include inter alia the market's reaction to:

- changes in financial results, forecasts or prospects of the Group or those of its competitors from one period to the next;
- adverse political, economic or regulatory developments in countries and markets where the Group operates; or legal or administrative proceedings involving the Group;
- unfavourable developments in gas and electricity prices in Belgium;
- announcements of changes in the Company's shareholding structure;
- announcements of changes in the Group's management team or key employees; and
- announcements on the scope of the Company's assets (acquisitions, disposals).

Additionally, stock markets experience significant fluctuations that are not always related to results and prospects of companies whose shares are traded thereon. Material market fluctuations as well as economic conditions could greatly affect the market price of the Company's shares and push down the value of investments made by investors.

Example of management:

While volatility remains inherent, the increased volumes processed and the steady growth in turnover help to minimise this risk. Moreover, the Company communicates regularly on its turnover, results or any element that could have an impact on its present or future results. Furthermore, the management team participates in numerous investor meetings in order to articulate the salient points of its strategy and objectives to financial markets.

**Acquisition integration risk:**

The integration of an asset or a company representing a strategic interest for the Group may not produce the effects initially expected. The Group has made and may make acquisitions in Europe, in various energy activities and with companies of various sizes. Indeed, the Group acquired Greenhill SA in 2021 and Cryo Pur SAS in 2022.

The challenges posed by acquisitions are manifold (synergies, governance, operating methods, key employees, sufficient availability of FDE teams, etc.) and require specific adjustments on a case-by-case basis.

Should the Group fail to successfully integrate the acquired assets under the planned



conditions, achieve the expected synergies, retain the key employees of the newly acquired company, or where the Group has to bear liabilities that had not been identified or valued appropriately at the time of the transaction, the Group's financial position and reputation could be adversely affected.

#### Example of management:

In 2016 the Group integrated the assets and staff of Gazonor, in order to redevelop the entire portfolio being integrated into the Group in line with the Group's strategy.

The acquisition of Cryo Pur in 2022 was immediately followed by a restructuring of costs and a re-engineering of the company's strategy. FDE's industrial optimisation and project management expertise will indeed allow for even more efficient development of the patented technologies pioneered by this subsidiary by applying the operator model successfully developed by FDE for abandoned mine methane and solar operations in France and Belgium.

## 7.5 REGULATORY AND LEGAL RISKS

### **Risk from changes in the regulatory environment and public policies:**

The Group operates of its entire activity in a highly regulated environment, particularly on the environmental, social and tax fronts. Changes in the regulatory environment applicable to the Group's activities may compel it to invest heavily in order to bring its facilities into compliance, thereby eroding the profitability of its facilities. In particular, an unfavourable change, which may be discretionary and/or retroactive, or the inappropriateness of the regulations applicable to the sale of electricity from abandoned mine methane or photovoltaic sources, or the tax environment for these activities (increase in existing taxes) could affect the Group's results with respect to its current or prospective activities. Unfavourable developments in certain public policies, in particular public policies related to climate change, could similarly have adverse impacts on the Group's ability to pursue its strategy.

#### Example of management:

With the Group's main activity avoiding a pollution, it enjoys a support mechanism in an environment where reducing the carbon footprint remains key. However, movements in electricity prices in France and Belgium are favourable, thus indicating that assets producing low carbon energy are increasingly competitive and less and less dependent on regulatory or feed in tariff mechanisms.

### **Litigation risks:**

Like any company, the Group's companies may be involved in administrative, tax, legal or arbitration proceedings in carrying out their business. The main scenarios wherein such proceedings could be brought include:

- non-compliance with contractual commitments;
- non-compliance with legislative or regulatory requirements;
- appeals by third parties against permits and authorisations obtained;
- incidents or accidents in the Group's facilities leading to personal injury or property damage that may give rise to claims for compensation.

Example of management:

The management of this risk revolves around applying ISO 9001 standards applied in the Hauts-de-France and Wallonia entities, the implementation by each of the Group's subsidiaries of a rigorous policy of compliance with applicable legislative and regulatory provisions, constant monitoring of how they are changing, and securing contractual documentation involving the Group. Where necessary, the Group sets aside provisions for pending litigation, thereby reflecting its best estimates of the potential adverse financial implications of such litigation.

## 7.6 RISK PREVENTION AND MANAGEMENT

### Insurance taken out by the Company

The Company has implemented a policy of covering the main insurable risks with guarantee amounts it deems compatible with the nature of its activities at the Group level.

The main insurance policies in effect within the Group concern damage to property and operating loss and machinery breakdown with Albingia, pollution liability with Axa, general and corporate officers' liability with Liberty, and cybersecurity insurance with Marsh.

### General internal control principles

The Company has implemented the legal and regulatory provisions applicable to listed companies as regards internal-control procedures and anchors its approach in complying with corporate governance principles.

Regarding financial issues, the Company has set up a comprehensive risk-management and internal-control system for the Group, the main elements of which will be:

- Identifying and controlling operational risks;
- The Group's overall risk management (at the subsidiary level);
- Monitoring the reliability of the processing of accounting and financial information;
- Controlling the cash position and rules of engagement and significant risks;
- Reporting on and global monitoring of compliance with internal-control standards and the internal-control mechanism.

In the energy sector, governments and public authorities are key contacts. The Group is present in 3 European Union countries, all with a low level of corruption according to the index prepared by Transparency International in 2021. The Group advocates zero tolerance for fraud in all its forms, particularly corruption or influence peddling.

### Internal control procedures for financial and accounting reporting

Internal control over the processing of financial and accounting information seeks to ensure that the accounting and financial information within the Group complies with the relevant laws and regulations. Internal control is also intended to ensure implementation of instructions and guidelines set by General Management.

The Group's General and Financial Management activities are centralized at the Company level. The operating subsidiaries have administrative and financial services, as well as accounting support.

Only the Company can commit itself through pledges and guarantees or take on market instruments.

The Group's Financial Management has implemented an accounting plan and procedures applicable to all the Group's entities. These procedures relate to budgetary control and information reporting.

The Group's consolidated Financial Statements are prepared by the Company's teams. Each consolidated subsidiary prepares a set of accounts, restated to comply with the Group's accounting standards and based on accounting data from local information systems.

The Group continues to strengthen its internal-control system regularly, with a strong focus on team and management awareness, systematic risk reviews, and the development of effective tools tailored to meet the teams' needs, particularly an increased reliance on automated controls.

## **7.7 FINANCIAL RISKS LINKED TO EFFECTS OF CLIMATE CHANGE**

The Group considers that there are no significant financial risks related to the effects of climate change in relation to its activity to reduce the carbon footprint of consumers and the territories in which it operates.

## 8. COMPANY'S FINANCIAL STATEMENTS

### 8.1 COMPANY'S FINANCIAL STATEMENTS AND NOTES

#### INCOME STATEMENT

Year ended 30 June 2022	Notes	30 June 2022	30 June 2021
		€	€
<b>Turnover</b>			
Production in stock / fixed assets		-85 991	146 783
Operating grants			
Reversals of depreciation and provisions, expense transfers		14 143	791 691
Other income	2.1	1 525 658	3 113 640
<b>Total operating income</b>		<b>1 453 809</b>	<b>4 052 114</b>
Purchase of goods and raw materials		-	-
Changes in inventories		-	-
Costs of goods and services sold	2.2	-1 833 443	-2 207 130
Taxes, duties and similar levies		-19 894	-33 124
Salaries and benefits	2.3	-735 859	-701 992
Social security costs	2.3	-579 050	-292 211
Depreciation allowances		-2 561	-441 860
Provision allowances	2.4	-623 825	-319 104
Other expenses		-50 619	-95 757
<b>Total operating expenses</b>		<b>-3 845 252</b>	<b>-4 091 178</b>
<b>Operating result</b>		<b>-2 391 443</b>	<b>-39 064</b>
Reversals of provisions and expense transfers		10 436	14 577
Other financial income		17 074	9 354
Financial allowances for depreciation and provisions		-150 000	-730
Other financial expenses		-143 505	-210 082
<b>Financial result</b>	2.5	<b>-265 996</b>	<b>-186 881</b>
Exceptional income		532 511	57 280
Exceptional expenses		-133 323	-45 691
<b>Exceptional result</b>	2.6	<b>399 188</b>	<b>11 588</b>
Employee share ownership		-	-
Income tax	2.7	2 018 836	802 001
<b>Net income</b>		<b>-239 414</b>	<b>587 644</b>

## BALANCE SHEET ASSETS

At 30 June 2022	Notes	Gross		Net	
		30 June 2022	Depreciation, provisions	30 June 2022	30 June 2021
		€	€	€	€
Concessions, patents and similar rights	3.2	30 036	28 352	1 685	1 685
Other intangible assets	3.1	44 139 169	597 893	43 541 275	43 021 655
Technical facilities and industrial equipment		35 892	19 655	16 237	16 839
Other tangible assets		38 651	24 676	13 976	8 063
Assets under construction	3.3	57 537		57 537	0
Other investments	3.4	5 159 847	1 018 544	4 141 303	151 261
Receivables related to participating interests		17 951 038		17 951 038	17 951 038
Other long-term securities		60 069		60 069	172 482
Other financial assets		12 052		12 052	12 052
<b>Fixed assets</b>		<b>67 484 292</b>	<b>1 689 120</b>	<b>65 795 172</b>	<b>61 335 074</b>
Stocks		60 792		60 792	146 783
Advances and prepayments on orders				0	5 738
Trade receivables and related accounts	3.5	1 440 553	623 825	816 728	1 581 852
Other receivables	3.5 / 4.3	4 678 857		4 678 857	3 081 679
Cash and cash equivalents		218 683		218 683	305 772
<b>Current assets</b>		<b>6 398 884</b>	<b>623 825</b>	<b>5 775 059</b>	<b>5 121 824</b>
Prepaid expenses		25 234		25 234	32 470
Deferred loan issue costs				0	380 682
Translation adjustment assets				0	1 870
<b>Total Assets</b>		<b>73 908 411</b>	<b>2 312 945</b>	<b>71 595 466</b>	<b>66 871 920</b>

## BALANCE SHEET LIABILITIES

At 30 June 2022	Notes	30 June 2022	30 June 2021
		€	€
Share capital	3.6	5 172 813	5 163 970
Issue premiums	3.6	44 062 032	44 070 875
Legal reserve		105 762	105 762
Other reserves		72 142	72 142
Carry forward		-930 214	-1 517 858
<b>Financial year result</b>		<b>-239 414</b>	<b>587 644</b>
Investment grant		250 000	250 000
<b>Equity capital</b>	3.6	<b>48 493 121</b>	<b>48 732 535</b>
Provisions for risks			9 706
Provisions for charges		1 644 792	1 419 179
<b>Provisions risks and charges</b>	3.9	<b>1 644 792</b>	<b>1 428 885</b>
Borrowings and other financial debts	3.8 / 4.3	16 815 443	11 940 908
Trade payables and related accounts	3.5	992 406	1 049 076
Tax and social security debts	3.5	1 871 948	1 155 151
Debts on fixed assets and related accounts	3.5	1 476 733	2 549 901
Other debts	3.5	256 021	15 463
Advances and prepayments on orders		45 000	
<b>Debts</b>		<b>21 457 552</b>	<b>16 710 500</b>
Translation adjustment liabilities			0
<b>Total liabilities</b>		<b>71 595 466</b>	<b>66 871 920</b>

## NOTES TO THE COMPANY'S FINANCIAL STATEMENTS

Notes to the balance sheet before distribution for the year ended 30 June 2022, totalling €71,595K, and to the income statement for the year, showing an operating loss of €(2,391) K and a net loss of €(239)K.

These financial statements were approved by the FDE Board of Directors on 19 October 2022. They will be submitted to the shareholders for approval during the General Meeting to be held on 30 November 2022.

### 1. ACCOUNTING RULES, METHODS AND PRINCIPLES

#### 1.1. General Principles and Going Concern

The financial statements for the financial year ending 30 June 2022 were prepared in accordance with the regulations of the French Accounting Standards Authority (*Autorité des Normes Comptables*) No. 2014-03 of 5 June 2014 on the General Accounting Plan, as well as with subsequent regulations amending certain articles thereof.

The general accounting policies have been applied in compliance with the principle of prudence, in line with the basic assumptions:

- going concern,
- consistent accounting methods,
- independent fiscal years.

The basic method used for valuation of items recorded in the accounts is the historical cost method. The valuation and presentation methods have not been changed compared to the previous year.

#### Going concern

In preparing the consolidated financial statements, Management assesses the Company's ability to continue as a going concern.

More particularly, the Company's management regularly reviews its financing options to ensure that it can continue as a going concern, bearing in mind its investment decisions and anticipated cash flows, including those from cash advances and income from re-invoicing by other Group companies.

The Company's cash flows are negative by approximately €275K each month. At 30 June 2022, the Company's cash position was positive at €219K.

At the level of FDE Group, including the Company's direct and indirect subsidiaries, the net change in cash flow for FY2022 amounted to €17.1M versus €3.1M for the previous financial year, mainly from Gazonor and Gazonor Benelux.

At 30 June 2022, the Company's cash position was positive at €24.0M.

Regarding the cash belonging to the Gazonor entity, since 30 June 2019, all or part of it may only be made available to the Group's entities, including FDE, upon authorization from the lenders, BPI and SaarLB, and if in compliance with the financial ratios in effect on that date. However, this rule does not apply to re-invoicing of services or other intra-group agreements,



amounting to €3.0M and which can be made available to FDE by Gazonor without the lenders' authorisation. At 30 June 2022, based on the credit agreements, no restrictions would apply to the net cash held by Gazonor, i.e. €4.7M.

For the financial year ending 30 June 2023, forecasts by the Company's management anticipate a positive operating cash flow from upward flows from its subsidiaries. During the financial year ending 30 June 2022, the Company was able to rely on payments for inter-company services and current account advances granted by its subsidiaries.

Lastly, the various shareholder loans were repaid during FY2022.

Building on these data and forecasts, the Company considers that it has the capacity to continue its activity during FY2023, to meet its cash flow requirements and to settle the part of the debts featured on its balance sheet which are due within 12 months of the closing date of the accounts or, where these are contentious liabilities, will not be payable during this same period.

The Company's annual accounts as at 30 June 2022 have therefore been prepared on a going concern basis.

## **1.2. Accounting rules and methods**

### A/ Intangible assets - exploration assets

The Company applies the provisions of ANC Regulation 2017-03 of 3 November 2017 and Article R.123-188 of the French Commercial Code, which states that mining exploration costs treated as development costs may be recognised as intangible assets on the balance sheet. The starting point of the related depreciation plan may be deferred until the end of the exploration.

This method of accounting covers exploration expenditure as well as expenditure on assessing the technical feasibility and the capacity of the extraction operation to generate probable future economic benefits.

Survey and analysis costs and all costs incurred prior to securing mining permits are expensed immediately. Geological and geophysical expenditures, including seismic surveys, are expensed directly for the period.

In the event of a discovery, unproven mining rights are transferred to proven mining rights at net book value upon recording of proven reserves and are thereafter reclassified from intangible assets to property, plant and equipment.

Exploration drilling is recognised and tested for impairment on an individual basis as follows:

- The exploration cost incurred in discovering proven reserves is capitalised and subsequently depreciated using the unit-of-production method, based on the proven reserves developed;
- Pending determination of whether proven reserves have been discovered, exploration costs are temporarily capitalised when both of the following conditions are met:
  - The well has revealed a sufficient volume of gas to justify bringing it on stream, if necessary, assuming that the necessary investments for production are made;
  - The Company has made sufficient progress in determining the reserves and the

technical and economic viability of the project. This progress is assessed on the basis of criteria such as additional exploration work (wells, seismic work or significant studies) being carried out or included in a firm programme, completion of development studies, and consideration of the fact that the Company may be awaiting government or third party approval of a proposed project or availability of transportation or processing capacity in an existing facility.

Exploration assets are tested for impairment whenever there is an indication that they may be impaired (negative changes in reserves, material changes in legislation, substantial technological developments, technical inability to operate the well concerned, etc.), within the limits of cash-generating units (CGUs) defined for the Company as hydrocarbon fields or groups of fields that are homogeneous and consistent in terms of production, processing and disposal of these hydrocarbons. For the Company as at 30 June 2022, these CGUs overlap with the various PERs (exclusive exploration permits) currently held.

### B/ Other fixed assets

Property, plant and equipment are recognised in the balance sheet at their acquisition cost, less depreciation and any impairment losses. No borrowing costs have been capitalised with respect to these assets.

These assets are depreciated on a straight-line basis over their estimated useful life and any residual value. The periods retained are as follows:

Industrial machinery and equipment	5 to 10 years
Transport equipment	4 to 5 years
Office equipment and furniture	3 to 5 years

Apart from a leasing contract for a complex of offices and warehouses in Pontpierre, no finance leases with assets in service have been identified as at 30 June 2022, as the Company is only involved in contracts for low-value underlying assets or in contracts considered as operating leases: vehicles, copiers, etc.

### C/ Equity investments

The gross value of equity investments is recognised on the basis of their acquisition cost. These assets are depreciated with respect to their market value or their value in use. The value in use is estimated on the basis of several criteria, the main ones being: the value of shareholders' equity, projection of future cash flows or valuation of assets based on reasonable operating forecasts.

The acquisition costs of these investments are recognised as expenses.

The shares of the subsidiary EG Lorraine are still impaired at 100% of their gross value, i.e. €869K, considering the prospects of the company in a foreseeable horizon, as well as the probable anticipated results and cash flows. The shares of the subsidiary Concorde Energy Inc with a gross book value of €150K are also impaired at 100% since the financial year ended 30 June 2022.

#### D/ Other financial assets

Other financial assets are recorded at their acquisition cost for their gross value, less impairment in the event of a loss in value compared mainly to their value in use.

Other long-term investments are composed of shares held by Louis Capital Markets UK LLP / Midcap Partners in managing the liquidity contract as entered into by FDE since 15 March 2019 and renewing the contract signed on 22 June 2017.

As at 30 June 2022, an amount of €60K is thus included in non-current financial assets, while €85K is recognised in cash (€172K and €72K respectively in the previous financial year). Gains or losses on disposals recorded at the time of each transaction carried out on the market are recognised in the annual financial statements as exceptional income, for a net gain of €26K for the financial year ended 30 June 2022 (€40K gain for the previous financial year).

An impairment loss is recognised if the inventory value, namely the average stock market price at the end of the financial year, is lower than the historical value. No provision or reversal was recorded at 30 June 2022.

#### E/ Operating receivables and payables

As receivables and payables are valued at their nominal value, a depreciation of receivables is applied when a risk of non-recovery exists at the end of the financial year.

Fixed asset liabilities include liabilities related to investments as well as liabilities related to exploration costs as described in paragraph A/ of this section of the notes.

#### F/ Accrued expenses

Debt issuance costs are capitalised as accrued expenses and amortised over the term of the loans concerned.

#### G/ Foreign currency transactions

Transactions in foreign currencies other than the entity's functional currency are translated at the applicable exchange rate on the transaction date. At the end of the financial year, assets, liabilities and cash are converted at the closing rate and the resulting exchange difference is recorded under translation adjustments.

Unrealised losses are recorded as a provision for risks.

Pursuant to Regulation 2015-05 on forward financial instruments and hedging transactions, the Company recognises its foreign exchange gains and losses, for those relating to commercial transactions, in other operating income and expenses and no longer in financial income or expense since FY2018.

#### H/ Allocation of employee free shares

As at 30 June 2022, two plans approved by the Company's Board of Directors are still in progress, with the designated beneficiaries being the Company's employees and directors.

No expense is recorded in the Company's annual accounts during the entire vesting period. However, the employer's contribution payable on the vesting of free shares is recognised on a straight-line basis over this period. At 30 June 2022, this contribution amounted to €257K in liabilities.

It should be noted that a fourth plan expired during FY2022, the Company Chairman having recognised on 30 November 2021 that 8,843 free shares had been permanently awarded to the beneficiaries of this plan implemented by the Board of Directors on 12 December 2019. The balance of the employer's contribution payable under this fourth plan as at 30 June 2022 amounts to €32K due within one year.

### I/ Corporate tax

As at 1 July 2018, a new tax consolidation was set up with FDE as the ultimate responsible entity of the tax consolidation, and the companies Gazonor Holding, Gazonor, EG Lorraine and EG NPC in the scope of consolidation.

The indirect subsidiary Gazonor Béthune joined the scope of the tax consolidation group as of 1 July 2020.

Under this tax consolidation, each company calculates its tax as if it were independent and pays its tax to the ultimate responsible entity. A tax is then calculated at the level of the integrated tax group.

### J/ Provisions

The Company sets and assesses its provisions pursuant to Regulation CRC 2000-06 on liabilities, which are earmarked to cover risks and expenses that are likely to arise from events that are in progress or have occurred, and that are clearly defined in terms of purpose, but unclear with respect to implementation, timing or amount. More specifically, they include allowances estimated by the Company and its advisers in respect of litigation, disputes and claims by third parties.

#### **(i) Site restoration and dismantling costs**

Future site restoration costs arising from a legal, regulatory, contractual or constructive obligation are covered by provisions on the basis of a reasonable estimate during the year in which the obligation arises.

As a counterpart to this provision, site restoration costs are capitalised and included in the value of the underlying asset and depreciated over the useful life of that asset.

The restoration and dismantling provisions recognised in the Company's accounts at 30 June 2022 cover exploration sites that have been drilled or are currently being drilled in the Lorraine region.

Considering the date of fulfilment of these restoration obligations, the amounts recorded have been discounted and the effects thereof recorded as financial result for the portion relating to the effect of discounting. The inflation rate applied at 30 June 2022 is the Eurozone 2-year swap inflation rate (4.14%) while the discount rate is the Ibbotson Corp AA 10+ benchmark market rate (3.22%).

**(ii) Retirement commitment**

For defined benefit plans and for retirement benefit obligations, commitments are valued using the projected unit credit actuarial method, taking into account actuarial assumptions such as salary increases, retirement age, mortality, staff turnover and discount rate.

The discounted liability for retirement benefits is not recognised by the Company but rather disclosed in the notes to the financial statements.

As at 30 June 2022, the Company had not recorded any hedging asset to cover such commitments.

**(iii) Other provisions**

Other provisions mainly include litigation involving the Company at the balance sheet date. A provision is only recognised in the event of the existence of a cause of action at 30 June 2022, a probable outflow of resources representing economic benefits and a reliable estimate of the obligation.

The estimated provision is considered on the basis of the most probable value, i.e. an assessment based on the value of the last judgment rendered or the estimate made by lawyers or legal advisers in the case of ongoing litigation.

**2. NOTES TO THE INCOME STATEMENT****2.1. Reversals of depreciation and provisions, expense transfers**

Reversals of depreciation, provisions - transfers of expenses	30 juin 2022	30 juin 2021
	€	€
Reversal of provision for restoration costs	0	15 531
Loan issue costs activated	0	770 348
Salary expense transferred	14 143	5 812
<b>Total reversals and transfers of expenses</b>	<b>14 143</b>	<b>791 691</b>

**2.2. Other income**

During the year ended 30 June 2022, the Company recognised other income of €1,526K vs €3,114K for the previous year. As in FY2021, this partly involved central and operational services re-invoiced to its operating subsidiaries (particularly Gazonor, Gazonor Benelux, Gazonor Bethune, FalkenSun and Cryo Pur), mainly personnel and administrative costs incurred by FDE on behalf of its subsidiaries. This re-invoicing is based on actual costs recorded with application of a 5% mark-up representing an arm's length remuneration.

The decrease noted between FY2021 and FY2022 mainly stemmed from a reduced invoicing of development services delivered by FDE in respect of the technical support required for project design (including preliminary engineering studies, authorisations, etc.), construction and commissioning of projects in accordance with applicable legal and regulatory requirements, particularly the Anderlues 1 and 2, Béthune, and Avion 7 projects.

<b>Breakdown of other income</b>	<b>30 June 2022</b>	<b>30 June 2021</b>
	€	€
Services - Gazonor	53 739	381 513
Services - Gazonor Benelux	53 858	111 518
Services - Gazonor Béthune	50 934	
Services - other group companies	353 114	194 706
Technical development services - Gazonor Benelux	555 485	1 500 000
Technical development services - Gazonor Béthune		848 386
Technical development services - EG NPC	291 667	0
Other income	166 861	77 518
<b>Total other income</b>	<b>1 525 658</b>	<b>3 113 641</b>

Development services invoiced to Gazonor Benelux amounting to €1,500K in FY2021 covered development costs incurred by FDE during the fiscal years 2010 to 2018 for the Anderlues 1 project, while development services were delivered in FY2022 for a second phase of the project with the commissioning of three new co-generation units in January 2022.

The development services invoiced to Gazonor Béthune in 2021 covered development costs incurred by FDE during the fiscal years 2020 and 2021 prior to commissioning of the site in January 2021.

The development services invoiced to EG NPC in 2022 covered development costs incurred by FDE in FY2022 for the Avion 7 project.

### 2.3. Other purchases and external expenses – Other expenses

The most significant items recorded under other purchases and external charges are presented below for the financial years ended 30 June 2022 and 2021:

<b>Costs of goods and services sold</b>	<b>30 June 2022</b>	<b>30 June 2021</b>
	€	€
Furniture and building rentals	123 342	113 002
Studies and exploration	43 520	16 862
Accountant and legal fees - Consultants	415 102	324 335
Auditor's fees	112 992	97 282
Communication	88 919	101 881
Travel	77 810	34 364
Commissions and other intermediaries	231 938	123 307
Banking services and fees	418 893	787 193
Other expenses	320 927	608 903
<b>Total costs of goods and services sold</b>	<b>1 833 443</b>	<b>2 207 130</b>

Other purchases and external expenses were down, particularly with the repayment of shareholder loans, which had generated fees for new amendments during the previous financial year. The main expenses were concentrated on the Group's development and growth, particularly the acquisition of Cryo Pur during the year.

### 2.4. Personnel costs

The Company's personnel costs amounted to €1,315K during FY2022 (vs €994K in FY2021), up mainly due to the increased average staff complement (6.92 in FY2021 vs 8.67 in FY2022)

between the two fiscal years 2021 and 2022. At the year-end, the staff stood at 13 people.

### Staff complement

Headcount	30 June 2022	30 June 2021
Executives and managers	8	7
Workers and employees	5	3
<b>Total headcount at closing</b>	<b>13</b>	<b>10</b>

### Remuneration of key directors

As of 30 June 2022, two people may be put into this category, namely Mr Julien Moulin, Chairman of FDE, and Mr Antoine Forcinal, Chief Executive Officer. The amount of remuneration awarded to the main directors is broken down as follows:

Remuneration of key executives	30 June 2022	30 June 2021
Fixed and variable compensation	210 701	313 172
Attendance fees	0	0
<b>Total compensation</b>	<b>210 701</b>	<b>313 172</b>

The above data includes remuneration paid to directors by other group companies and re-invoiced to FDE, less amounts re-invoiced to subsidiaries.

## **2.5. Allowances for depreciation and provisions**

At 30 June 2022, a receivable of €624K (excluding VAT) was still held for the indirect subsidiary Concorde Energie Paris, in respect of services delivered by FDE for the La Folie de Paris permit and re-invoiced between FY2016 and FY2022. A 100% debt depreciation was applied to this receivable, taking into account the non-recovery risk at the year-end date.

## **2.6. Financial result**

The items related to the financial result are as follows:

Financial result	30 June 2022	30 June 2021
		€
Allowances for equity investments	-149 270	13 847
Interest cost	-100 049	-182 612
Other financial income/expenses	-16 676	-18 116
<b>Total financial result</b>	<b>-265 996</b>	<b>-186 881</b>

For the financial year ended 30 June 2022, the Company's financial result was made up of the interest charge on current account advances to subsidiaries and interest on shareholder advances, as well as depreciation allowances of €150K in Concorde Inc equity investments held by the Company.



## 2.7. Exceptional result

At 30 June 2022, the Company's exceptional result mainly comprised the €410K gain on redemption of a supplier receivable at a discounted price from its subsidiary Cryo Pur as part of negotiation of liabilities held by the company acquired during the financial year, said receivable having been incorporated into Cryo Pur's capital at the financial year-end date.

## 2.8. Income tax

The Company recognised net tax income of €2,019K for the entire tax group.

At 30 June 2022, the Company had unused tax losses carried forward from the tax group amounting to €3.8M.

At 30 June 2022, the consolidated tax group's losses had been fully consumed.

The Research Tax Credit for calendar year 2021 recognised in the 2022 accounts amounted to €173K while Innovation Tax Credit was €58K.

### Breakdown of total amount of income tax

Income tax	30 June 2022	30 June 2021
	€	€
Tax consolidation income	3 031 604	640 031
Tax consolidation expense	-1 160 814	-86 595
Research tax credit 2020	-24 478	248 565
Research tax credit 2021	172 525	
<b>Total income tax</b>	<b>2 018 837</b>	<b>802 001</b>

### 3. NOTES TO THE BALANCE SHEET

#### 3.1. Exploration assets - Intangible assets

As explained in the accounting rules and methods, the expenses recorded under other intangible assets include all costs incurred during the prospecting and drilling phases of exploration.

The increased exploration assets over the year mainly stemmed from work carried out on the sites in the Lorraine basin (Bleue Lorraine permit), particularly the Lachambre site, including costs required to file the Bleue Lorraine concession application on 28 November 2018 with the Ministry of Ecological and Solidarity Transition, and the Ministry of the Economy and Finance.

As at 30 June 2022, the gross value of these exploration costs amounted to €44,139K, including site restoration costs of €1,594K based on the calculation related to the four sites concerned, i.e. Folschwiller, Tritteling, Lachambre and Pontpierre. Its discounting was calculated up to 2040, the reference cut-off year following the Hulot law enacted in December 2017, on the following basis:

- Discount rate (Ibbox Corp AA 10+): 3.22% (0.79% in 2021)
- Inflation rate (Euro zone swap 2 years): 4.14% (0.88% in 2021)

A legal analysis was performed with the Company's lawyers at 30 June 2022 on the status of each licence for which exploration costs have been recorded. The Company's management also assessed the drilling results and qualification of reserves at financial year-end. As a result, no new impairments were recognised at the end of FY2022.

Changes in gross and net values between 30 June 2021 and 30 June 2022 are as follows:

Changes - gross value	30 June 2021	Acquisitions	Disposals	Others	30 June 2022
	€	€	€	€	€
Assets - PER Bleue Lorraine	41,642,075	405,390	-100,172		41,947,293
Assets - other PERs	597,893				597,893
Provisions for restoration	1,385,770	208,213			1,593,983
<b>Total - gross value</b>	<b>43,625,738</b>	<b>613,603</b>	<b>-100,172</b>	<b>0</b>	<b>44,139,169</b>
Changes in depreciation and amortisation	30 June 2021	Allowance Depreciation	Allowance Impairment	reversals	30 June 2022
	€	€	€	€	€
Assets - PER Bleue Lorraine	-				-
Assets - other PERs	-597,893				-597,893
Provisions for restoration	-6,189			6,189	0
<b>Changes in depreciation and amortisation</b>	<b>-604,082</b>	<b>0</b>	<b>0</b>	<b>6,189</b>	<b>-597,893</b>
<b>Total - net value</b>	<b>43,021,656</b>				<b>43,541,275</b>

For each exclusive exploration permit or concession, excluding the provision for restoration, the exploration assets are composed as follows:

Permits / concessions	Status	30 June 2022	30 June 2021
		€	€
Bleue Lorraine (i)	Concession application in progress	41 947 293	41 642 075
Bleue Lorraine Sud (ii)	Non-extension, litigation	0	0
<b>Total - exploration assets (net value)</b>		<b>41 947 293</b>	<b>41 642 075</b>

- (i) The third period of the Bleue Lorraine exclusive exploration permit expired on 30 November 2018, the date prior to which an application for a concession had to be made or it would no longer be deemed admissible. In this context, FDE filed a concession application on 26 November 2018, registered by the Ministry of Ecological and Solidarity Transition on 28 November 2018, pursuant to the provisions of the decree of 28 July 1995, and valid until 1 January 2040, i.e. 21 years.

The area requested is 191km<sup>2</sup>, including 6 communes completely and 34 communes partially.

The prefect of the Moselle department is in charge of implementation with local assistance from the Grand Est regional directorate for the environment, development and housing.

An implicit decision to reject the application for the Bleue Lorraine concession was issued on 11 June 2022 due to failure by the French administration to finalise the processing of the application. A petition challenging the implicit rejection of the Bleue Lorraine concession application was filed on 12 July 2022 with the Administrative Court of Strasbourg with a request for a penalty payment from the State. Since then, the State has not provided the judge with any submission in response.

- (ii) An application for extension of the Bleue Lorraine Sud permit was filed in July 2016, but rejected by ministerial order on 29 December 2017. On this basis, FDE filed an appeal on 10 September 2018 to obtain extension of the permit. The appeal was rejected by the Strasbourg Administrative Court on 22 July 2020; the Company did not appeal, whereupon the Company did not appeal de decision as the scope of the permit can still be secured subsequently. A claim for compensation is still being finalised. As a precautionary step, the related asset was fully depreciated in the accounts at 30 June 2021.

### 3.2. Concessions, patents and software

Changes - gross value	30 June 2021	Acquisitions	Disposals	Others	30 June 2022
	€	€	€	€	€
Software Sage X3	24,000				24,000
Other intangible assets	6,036				6,036
<b>Total - gross value</b>	<b>30,036</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>30,036</b>
Changes in depreciation and amortisation	30 June 2021	Allowance Depreciation	Allowance Impairment	reversals	30 June 2022
	€	€	€	€	€
Software Sage X3	-24,000				-24,000
Other intangible assets	-4,352				-4,352
<b>Changes in depreciation and amortisation</b>	<b>-28,352</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-28,352</b>
<b>Total - net value</b>	<b>1,684</b>				<b>1,684</b>

The item “concessions, patents and similar rights” mainly comprises software, including the Sage X3 software licences acquired on 1 July 2016 and fully amortised in FY2021.

### 3.3. Property, plant and equipment

Property, plant and equipment mainly include small equipment and tools, vehicles and IT furniture and equipment. Assets under construction include integration of new Sage modules not yet finalised as at the end of the year.

Changes in gross and net value of these assets are presented below:

Changes - gross value	30 June 2021	Acquisitions	Disposals	Others	30 June 2022
	€	€	€	€	€
Building	13775.15				13,775
Industrial plant and equipment	22,117				22,117
Other tangible assets	30,778	7,873			38,651
Assets under construction	-0	106,468		-48,931	57,537
<b>Total - gross value</b>	<b>66,670</b>	<b>114,341</b>	<b>0</b>	<b>-48,931</b>	<b>132,081</b>
Changes in depreciation and amortisation	30 June 2021	Allowance Depreciation	Allowance Impairment	reversals	30 June 2022
	€	€	€	€	€
Building					0
Industrial plant and equipment	-18,759	-601 €			-19,361
Other tangible assets	-23,010	-1,960			-24,970
Assets under construction					
<b>Changes in depreciation and impairments</b>	<b>-41,769</b>	<b>-2,561</b>	<b>0</b>	<b>0</b>	<b>-44,331</b>
<b>Total - net value</b>	<b>24,901</b>	<b>111,780</b>	<b>0</b>	<b>-48,931</b>	<b>87,750</b>

### 3.4. Financial assets - Subsidiaries and equity interests

Other investments include shares held by FDE only for those subsidiaries that are included in the consolidated accounts published by the Company. See table of subsidiaries and investments below.

Subsidiaries and holdings (in K€)	EG Lorraine	Concorde	Energy Inc	Cellcius	FalkenSun	LFDE	International	Cryo Pur
Capital	869	6 391	1	1	1 000	1 600		
Equity other than capital	-898	-5 007	-102	-547	-884	-3 784		
Net income	1	-	11	-505	-738	-442		
Turnover	0	0	154	0	337	1 169		
Share of capital held	100%	100%	51%	75%	100%	96%		
<b>Gross book value of shares</b>	<b>869</b>	<b>150</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>4 140</b>		
Net book value of shares	0	0	1	1	0	4 140		
Loans and advances granted	29	-	21	52	17 951	0		

Receivables from equity investments relate to a current account with LFDE International, for which the bulk of the balance is valued at its acquisition value when the Transcor / Gazonor group was acquired in June 2016.

### 3.5. Maturity of receivables and payables

Other receivables mainly include the Research Tax Credit (amount remaining open as a receivable for €191K at the end of June 2022), the tax consolidation receivable related to the tax due by subsidiaries (€3M), recoverable VAT receivables as well as receivables related to Group current accounts, with current accounts in credit recorded as liabilities.

All of the trade payables and other liabilities shown below are due within one year as at 30 June 2022. However, in this balance, the sum of €1.4M is in dispute with Entrepouse Drilling.

Statement of receivables and payables - 30 June 2022	Within 1 year	1 to 5 years	Above 5 years	Total
	€	€	€	€
Receivables related to participating interests			17 951 038	17 951 038
Other financial assets			12 052	12 052
Trade receivables and related accounts	691 963		748 590	1 440 553
Other receivables	4 678 857			4 678 857
<b>Totals - maturity of receivables</b>	<b>5 370 820</b>		<b>18 711 680</b>	<b>24 082 500</b>

Statement of receivables and payables - 30 June 2022	Within 1 year	1 to 5 years	Above 5 years	Total
	€	€	€	€
Borrowings and other financial debts	16 815 443			16 815 443
Trade payables - operating and fixed assets	2 469 139			2 469 139
Tax and social security liabilities - other liabilities	2 172 970			2 172 970
<b>Totals - maturity of liabilities</b>	<b>21 457 552</b>			<b>21 457 552</b>

### 3.6. Capital and shareholders' equity

#### Breakdown of share capital

As at 30 June 2022, FDE's share capital stood at €5,173K, broken down into 5.172.813 ordinary shares with a par value of €1.00 each, all fully paid up.

During the year, 8,843 new shares were issued following the final allocation of free shares granted to beneficiaries of the fourth plan implemented in 2019. This capital increase was made by incorporation of share premiums, following confirmation by the Chairman on 30 November 2021 that employee free shares had ultimately been awarded to their rightful beneficiaries.

No other transactions have taken place with respect to the share capital since 1 July 2021.

#### Changes in equity

	Value at 30 June 2021	Result 2022	Appropriation of earnings	Dividends	Other changes	Value at 30 June 2022
<b>Changes in equity capital</b>						
		€	€	€	€	
Share capital	5 163 970				8 843	5 172 813
Issue premiums	44 070 875				-8 843	44 062 032
Legal reserve	105 762					105 762
Other reserves	72 142					72 142
Carry forward	-1 517 858		587 645			-930 213
Financial year result	587 645	-239 415	-587 645			-239 415
Investment grant	250 000					250 000
<b>Total</b>	<b>48 732 536</b>	<b>-239 415</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>48 493 121</b>

Issue premiums amounting to €44,062K represent the difference recorded during the 2016 fiscal year, between all issue premiums related to the FDE Group's IPO and conversion of previously issued bonds, totalling €45,374K in premiums, and the amount, net of tax, of costs incurred by the Group during this IPO, i.e. €1,204K, as well as the successive impacts of the employee free share plans amounting to €108K.

### 3.7. Share-based payments / employee free shares

The FDE General Meeting held on 23 March 2016 had authorised the Board of Directors to proceed with allocation of free shares for the Group's employees and corporate officers, within the limit of 5% of share capital, a delegation renewed by the General Meeting of 29 November 2019 and then at the General Meeting of 30 November 2021 under the same conditions. The distribution of employee free shares must be made through a capital increase by way of incorporation of reserves or premiums.

Following the opinion of the Appointment and Remuneration Committee, a first plan was decided on 30 June 2016 and was permanently awarded 85,485 shares in November 2018 (out of 85,601 shares initially allocated to beneficiaries).

On 30 June 2017, the Board of Directors adopted the Regulations of the Plan set up in 2016 and determined the initial beneficiaries of the second plan for 5,231 shares, permanently awarded in December 2019.

The third plan initiated on 9 July 2018 resulted in the permanent award during the year ended 30 June 2021 of 8,080 shares.

The fourth plan, initiated on 12 December 2019, resulted in the definitive award of 8.843 shares over the year.

Two other plans were launched on 4 September 2020 and 27 July 2021, providing for employee free shares to the allocated to the Group's employees and directors as tabulated below:

Free share plans	Number of shares initially awarded	Number of shares at 30 June 2022	Fair value
4 September 2020	9 791	9 620	15,3
27 July 2021	49 795	49 290	22,5

All of these allocations together represent a total of approximately 3.3% of the capital, below the ceiling set for the initial authorisation.

These employee free shares will be permanently allocated to the beneficiaries within two years of their initial allocation date, provided these beneficiaries continue to hold their position within the Group during this period, and subject to fulfilment of the other requirements pertaining to this employee free share plan.

Pursuant to the applicable accounting standards, no expense is recognised in respect of these plans, besides the employer's contribution for the permanent acquisition of the shares by their beneficiary that is provided for on a straight-line basis over two years.

### 3.8. Borrowings and financial debts

Excluding current accounts, the following change occurred in the Company's financing during the year ended 30 June 2022: the NEL and EGL shareholder loans totalling €3.3M were fully repaid as at 30 June 2022.

Considering the Gazonor, EG NPC and Gazonor Benelux current accounts, the loans and financial debts are broken down as follows:

Borrowings and other financial debts	30 June 2022	30 June 2021
	€	€
Shareholder loan (including fees)	0	0
<b>Financial debts more than one year</b>	<b>0</b>	<b>0</b>
Shareholder loan (including fees)	0	3 304 431
Current accounts (Gazonor)	8 672 026	7 576 731
Current accounts (EG NPC)	700 946	700 008
Current accounts (LFDE International)	6 827 693	359 738
Current accounts (Gazonor Béthune)	521 906	0
Current accounts (Gazonor Holding)	92 872	0
<b>Financial debts less than one year</b>	<b>16 815 443</b>	<b>11 940 908</b>
<b>Total financial debts</b>	<b>16 815 443</b>	<b>11 940 908</b>

Lastly, in October 2019, the Company signed a leasing agreement with LCL bank for a plot of land, and an office and warehouse complex in the Faulquemont commune, which was commissioned in December 2020.

This contract is for 12-year term from its effective date, at an interest rate of approximately



2.4% and a €94K purchase option exercisable at the end of the contract.

### 3.9. Provisions

Provisions	30 June 2021	Allowances	Reversals	Others	30 June 2022
	€	€	€	€	€
Provisions for restoration	1 419 179	11 212		214 402	1 644 792
Provisions for litigation	9 706		-9 706		0
<b>Total provisions</b>	<b>1 428 885</b>	<b>11 212</b>	<b>-9 706</b>	<b>204 696</b>	<b>1 644 792</b>

The provision for restoration involves the four sites in Lorraine where drilling operations have been carried out. It is determined on the basis of technical appraisals and external estimates. Since no new technical or regulatory obligations came up in 2022, the sole changes were related to the accretion of €11K and the modification of discounting assumptions for €214K, the contra-entry having been recognised by reducing the underlying assets.

This provision was calculated using a 3.22% discount rate and a 4.14% inflation rate.

## 4. OTHER INFORMATION

### 4.1. Lease commitments

#### Property leases

The Company leases office space in Forbach (Moselle) under a nine-year lease expiring on 30 June 2022, with the option to terminate at the end of each three-year period. Payments under this property operating lease have been expensed on a straight-line basis over the term of the lease until June 2022, when the lease is terminated.

The total amount of future commitments under this property operating lease is tabulated by maturity date as follows:

Future commitments - property rentals	30 June 2022	30 June 2021
	€	€
Less than 1 year	0	36 000
1 to 5 years	0	0
<b>Total future commitments - property rental</b>	<b>0</b>	<b>36 000</b>

FDE is also involved in lease agreements for land and plots of land located in the Lorraine region, concluded with individual owners for very long periods (maximum term 2091) with the possibility of termination.

Annual rental payments under these contracts amounted to €75K for FY2022, with corresponding commitments amounting to €2,478K over the entire possible lease term, with no material change compared to last year.

#### Equipment leases

In the course of its business, FDE leases part of its equipment under operating leases. These contracts mainly cover rental of vehicles and copiers for fairly insignificant amounts.

## 4.2. Leasing commitments

A property lease was concluded on 21 October 2019 between FDE and Finamur by notarial deed, covering a total investment of €940K in order to build a set of offices and warehouses on the Pontpierre/Faulquemont business park, which was completed in November 2020.

This lease provides for a maturity of 12 years, with the possibility for FDE to exercise its option earlier, after a 7-year rental period; the purchase option price at end of the contract is €94K.

Lease payments by maturity - 30 June 2022	Within 1 year	1 to 5 years	Above 5 years	Total
	€	€	€	€
Lease payments	79 588	326 389	426 686	832 663
<b>Totals - maturity of receivables</b>	<b>79 588</b>	<b>326 389</b>	<b>426 686</b>	<b>832 663</b>

The lease took effect during FY2021.

## 4.3. Other commitments

### Financial commitments on permits

The following table describes financial commitments entered into by the Company in respect of two main permits currently held by the Company and showing investments and exploration costs recognised at 30 June 2022:

Commitments on Exclusive Exploration Permits	Initial financial commitments	Investments made	Residual commitments
	€	€	€
Bleue Lorraine	7 700 000	41 947 293	none
Bleue Lorraine Sud	7 250 000	303 573	6 946 427

Each exploration licence granted to the Company includes financial commitments in terms of exploration expenses to be incurred during the term of the licence. Additionally, it is worth noting that the expenses recorded on the Bleue Lorraine PER also includes studies on well architectures, quality and resistance of drilling equipment and tools, as well as characteristics of Lorraine coals which may be useful for the Bleue Lorraine Sud PER.

A concession application was filed for the Bleue Lorraine permit in November 2018.

An application for extension was filed for the Bleue Lorraine Sud permit in July 2016, but was rejected by ministerial decree on 29 December 2017 (see note 3.1).

## Retirement commitments

Pension liabilities - balance sheet	30 June 2022
Provision for pension liabilities 30 June 2022	23 304
Provision for pension liabilities 30 June 2021	21 139
<b>Change in provision during FY2021</b>	<b>2 165</b>

Since all the Company's employees, excluding corporate officers, are governed by the applicable labour laws in France, the actuarial assumptions used to estimate pension commitments at 30 June 2022 are as follows:

- Retirement age: 65 years
- Salary increment: 2%
- Discount rate: 3.22%
- Turnover rate: 5%
- Mortality table: TGH05/TGF05

The discount rate increased from 0.79% to 3.22% between 30 June 2021 and 30 June 2022.

No hedging assets have been allocated by the Group as at the Balance Sheet date.

## Financial commitments on loans

A loan was taken out by Gazonor with Bpifrance Financement on 22 October 2019 for a nominal amount of €1,340K, aimed at refinancing the costs incurred for acquisition of the three Siemens-type electric motors installed at the Avion site. This loan has a maturity of 6 years, with monthly linear repayment, for a fixed interest rate of 1.5% per annum.

More specifically, this loan comes with a joint and several guarantee from FDE of €1,340K for the entire term of the financing.

The €5.5M equity loans taken out by Gazonor Béthune SAS, €2.5M by Falkensun and €3.3M by EG NPC SAS benefit from the FDE guarantee.

#### 4.4. Related parties

In the course of its activities, FDE was involved in a number of transactions with persons or entities considered to be related parties during the year ended 30 June 2022. The amounts arising from these transactions and recognised in the financial statements are presented below.

Transactions with related parties	30 June 2022	30 June 2021
	€	€
Equity investments (gross value)	5 159 847	1 019 805
Receivables related to participating interests	17 951 038	17 951 038
Current account assets	905 215	1 296 775
Tax consolidation	3 012 638	959 279
Trade receivables - gross value	748 590	68 381
Trade receivables - invoices to be issued	667 105	1 498 883
<b>Related parties - assets</b>	<b>28 444 432</b>	<b>22 794 161</b>
NEL borrowing	0	2 975 442
EGL borrowing	0	328 989
Current accounts liabilities (Gazonor, EG NPC, LFDE Int)	16 815 443	8 636 000
<b>Related parties - liabilities</b>	<b>16 815 443</b>	<b>11 940 431</b>
Rebilling of Gazonor services	92 479	381 513
Rebilling of Cellcius services	35 548	117 072
Rebilling of Gazonor Benelux services and development	660 357	1 611 518
Rebilling of Gazonor Béthune services and development	50 934	880 657
Rebilling of Other services	343 800	45 363
Attendance fees - gross expense	-37 500	-95 000
<b>Related parties - operating income/expense</b>	<b>1 145 618</b>	<b>2 941 122</b>
Interest income on current accounts	16 570	8 271
Interest expense on current accounts	-90 383	-88 487
Annual interest on NEL loan	-8 334	-63 328
Annual interest on EGL loan	-4 523	-3 989
<b>Related parties - financial result</b>	<b>-86 671</b>	<b>-147 533</b>

#### Relations with related parties

- (i) A service re-invoicing agreement had been entered into on 16 January 2018 between FDE and Gazonor, whereby the former had to re-invoice salary and structure costs to the latter. During FY2019, an amendment No. 2 was signed between these two companies for these services to be re-invoiced based on allocation formulas according to time spent by each of the Company's employees and the costs actually recorded during the financial year. During the financial year ended 30 June 2022, the sum of €92K excluding VAT was re-invoiced to Gazonor.
- (ii) An agreement providing for the same calculation bases in re-invoicing services was concluded between the Company and its indirect subsidiary Gazonor Benelux on 23 April 2019, a subsidiary whose operational activity began at the end of April 2019 with commencement of production at its Anderlues site. During the year ended 30 June 2022, the sum of €105K was recorded for re-invoicing by the Company. Similar agreements with Cellcius, Falkensun, Gazonor Béthune, EG NPC and Cryo Pur were signed for a re-invoiced amount totalling €375K in 2022.

- (iii) A development agreement was signed with Gazonor Benelux and Gazonor Béthune respectively to cover the development services provided by FDE for the technical support required to design the Anderlues 1 and 2, Béthune and EG NPC projects (including preliminary engineering studies, authorisations, etc.), construction and commissioning of the projects pursuant to applicable legal and regulatory requirements. The amounts charged in this respect during the financial year ended 30 June 2022 were €555K for Gazonor Benelux, and €350K for EG NPC (phase 2 of the Avion project).

The gross expense in respect of remuneration to be allocated to the members of the Remuneration and Audit Committees and the Board of Directors amounts to €40.0K for the financial year ended 30 June 2022, in adjustments to attendance fees paid during the previous financial year, remuneration of directors being presented in part 2.3 of these notes.

#### 4.5. Auditor's fees

The auditors' fees paid by the Company include the following items:

Auditor's fees	30 June 2022	30 June 2021
	€	€
Certification of accounts - Française de l'Energie	115 992	97 282
Other engagements	7 000	0
<b>Total Auditor's fees</b>	<b>122 992</b>	<b>97 282</b>

Other engagements and services involve due diligence specific to capital transactions performed by Mazars in view of the AGM of 30 November 2021.

#### 4.6. Ongoing litigation and legal proceedings

As of the date of preparation of the consolidated Financial Statements for the fiscal year ended 30 June 2022, the Group is involved in various disputes and court cases

##### (i) ENTREPOSE DRILLING dispute

A dispute between FDE and the company Entrepose Drilling S.A.S. concerns drilling and other services invoiced by the latter for the Lachambre drilling campaign. FDE considers that the deficiencies in the drilling equipment used by Entrepose Drilling failed to meet the objectives set for this drilling and that these deficiencies delayed the Company's drilling campaign, causing it a major prejudice which justifies the suspension of payment of the last invoices for this drilling.

Entrepose Drilling disputes the Company's position and has initiated summary proceedings to obtain payment of these invoices as well as compensation for termination of the contract signed with FDE, arguing that FDE took the initiative to terminate the contract. The total amount demanded was €3,040,879, excluding taxes. FDE disputed this fact, blaming Entrepose Drilling for terminating the contract. On 08 September 2017, the Commercial Court of Paris, ruling in summary proceedings, ordered FDE to pay Entrepose Drilling the sum of €984,820, excluding taxes. Decision executed.

Entrepose Drilling has initiated a dispute on the merits of the matter before the Commercial Court of Paris for invoices rejected for payment by the Court's summary ruling for a total amount of €2,067K, excluding taxes. On its part, FDE has filed a counterclaim for compensation

for damages due to deficiencies in the drilling services provided by Entrepose Drilling and the abusive termination by the latter of the contract binding it to FDE.

In this respect, the summary conclusions were filed with the Commercial Court of Paris on 21 February 2019 by FDE, based on a report by Mr Pierre Gié, produced on 07 February 2019, with the Company requesting an amount of €6,33,029 as well as reimbursement of amounts already paid under the original contract (i.e. €1,184,562 paid in execution of the summary ruling of 8 September 2017 and €1,381,748 paid as settlement of invoices in respect of the rescinded contract).

Entrepose Drilling's liability insurer, HDI Global SE, challenged FDE's conclusions through an expert report by Erget. In December 2019, FDE summoned Entrepose Group, parent company of Entrepose Drilling, to join proceedings as a third party. Entrepose Drilling's summary conclusions were filed during the procedural hearing on 20 February 2020. Entrepose Drilling sent FDE its submissions in response on 5 January 2021, while FDE sent its own submission in response on 9 April 2021. Entrepose Drilling proposed an amicable settlement, FDE made a counterproposal, but these discussions did not result in a settlement. The case was argued on 3 June 2021.

The Paris Commercial Court delivered its judgment on 1 October 2021 and partially granted Entrepose Drilling's claims (i.e., €2,067,104 excluding taxes) and ordered FDE to pay €865K (plus interest at the legal rate since May 2018 with provisional enforcement of the judgment).

FDE paid the ordered amount of €946,497 to Entrepose Drilling while disputing the total amount of €1,138,163 claimed by Entrepose Drilling, wrongly including VAT according to FDE. A hearing took place on 15 January 2022 before the enforcement judge of the Metz Commercial Court to rule on this claim and the amount of the penalty payments claimed by Entrepose Drilling.

FDE appealed the judgements rendered on 1 October 2021 before the Paris Court of Appeal, the proceedings are ongoing and Entrepose Drilling (now called Arverne Driling) filed its submissions in the appeal proceedings in July 2022. FDE filed its own submissions on 20 July 2022.

In proceedings before the First President of the Paris Court of Appeal, FDE obtained a guarantee from Arverne Driling's former shareholder, Entrepose Group, to refund the amounts paid by FDE under the first instance judgment in the event that FDE wins the appeal and Arverne Driling defaults on this repayment.

## **(ii) COMPAGNIE FINANCIERE DE SAINT-ROCH dispute**

There is a dispute between FDE and Compagnie Financière de Saint Roch, which claimed during 2017 an additional payment of €300K for services delivered in connection with FDE's IPO in June 2016. The latter contests this claim. This claim was rejected by FDE insofar as all the sums provided for in the contract with Compagnie Financière de Saint Roch had already been paid in accordance with the provisions of said contract.

Nonetheless, on 5 October 2017, Compagnie Financière de Saint Roch brought an action on the merits against FDE before the Paris Commercial Court, claiming €620K in principal for the services it alleges, as well as €600K for loss of opportunity for various investments and €50K for the image and moral damage caused to it. FDE rejected all of these claims as being totally unfounded contractually, and filed a claim for compensation on account of abusive

proceedings in the amount of €50K.

Following a judgment handed down by the Paris Commercial Court on 22 February 2019, Compagnie Financière de Saint-Roch was dismissed of all its claims. The latter appealed the judgement on 4 April 2019.

By a decision dated 15 June 2020, the Paris Court of Appeal upheld the first judgment and dismissed all of Compagnie de Saint-Roch's claims, ordering it to pay FDE the sum of €5,500 pursuant to Article 700 of the Code of Civil Procedure.

Compagnie Financière de Saint-Roch filed an appeal to the Court of Cassation on 26 March 2021, which was rejected by the selfsame Court on 9 June 2022. Consequently, this matter has been definitely closed.

### **(iii) XERYS dispute**

Following the acquisition of Cryo Pur on 31 December 2021 from the Xerys investment funds, FDE raised various challenges and management shortcomings at Xerys, refusing to pay the acquisition price of €2,000K.

On 11 February 2022, Xerys summoned FDE for payment of the price and on 28 February 2022, FDE summoned Xerys for cancellation of the sale / compensation for fraud.

By a summary order issued on 15 April 2022, the Paris Commercial Court granted Xerys' claim. FDE executed this decision and paid the sale price to Xérys' entities in April 2022.

The proceedings on the merits initiated by FDE against Xerys before the Paris Commercial Court are still ongoing, and FDE is awaiting Xerys' submissions in response.

## **4.7. Post balance sheet events**

In a letter dated 4 October 2022 regarding the Bleue Lorraine permit, FDE applied for formal notice to be served on the Minister responsible for mines to provide his observations as soon as possible. The President of the Court granted FDE's motion and served formal notice on the Minister to provide his observations in defence within three months.



## 8.2 STATUTORY AUDITORS' REPORT ON THE COMPANY'S FINANCIAL STATEMENTS

**LA FRANCAISE DE L'ENERGIE**

Avenue du District  
57380 PONTPIERRE

### **RAPPORT DES COMMISSAIRES AUX COMPTES SUR LES COMPTES ANNUELS**

Exercice clos le 30 juin 2022

Le 31 octobre 2022

**BDO PARIS**

Société d'Expertise Comptable inscrite au Tableau de l'Ordre de la région Paris-Ile-de-France  
Société de Commissariat aux comptes inscrite sur la liste nationale des Commissaires aux comptes,  
rattachée à la CRCC de Paris  
RCS Paris B 480 307 131 00056  
SAS au capital de 3 000 000 euros

**MAZARS**

Société anonyme d'expertise comptable et de commissariat aux comptes  
Société inscrite sur la liste nationale des commissaires aux comptes, rattachée à la CRCC de Colmar  
RCS Strasbourg 348 600 990  
Capital de 400 000 euros

**LA FRANCAISE DE L'ENERGIE**  
*Rapport des commissaires aux comptes sur les comptes annuels*  
*Exercice clos le 30 juin 2022*

## **LA FRANCAISE DE L'ENERGIE**

**Exercice clos le 30 juin 2022**

Rapport des commissaires aux comptes sur les comptes annuels

A l'assemblée générale de la société La Française de l'Energie,

### **Opinion**

En exécution de la mission qui nous a été confiée par votre assemblée générale, nous avons effectué l'audit des comptes annuels de la société La Française de l'Energie relatifs à l'exercice clos le 30 juin 2022, tels qu'ils sont joints au présent rapport.

Nous certifions que les comptes annuels sont, au regard des règles et principes comptables français, réguliers et sincères et donnent une image fidèle du résultat des opérations de l'exercice écoulé ainsi que de la situation financière et du patrimoine de la société à la fin de cet exercice.

L'opinion formulée ci-dessus est cohérente avec le contenu de notre rapport au comité d'audit.

### **Fondement de l'opinion**

#### **Référentiel d'audit**

Nous avons effectué notre audit selon les normes d'exercice professionnel applicables en France. Nous estimons que les éléments que nous avons collectés sont suffisants et appropriés pour fonder notre opinion.

Les responsabilités qui nous incombent en vertu de ces normes sont indiquées dans la partie « Responsabilités des commissaires aux comptes relatives à l'audit des comptes annuels » du présent rapport.

#### **Indépendance**

Nous avons réalisé notre mission d'audit dans le respect des règles d'indépendance prévues par le code de commerce et par le code de déontologie de la profession de commissaire aux comptes sur la période du 1<sup>er</sup> juillet 2021 à la date d'émission de notre rapport, et notamment nous n'avons pas fourni de services interdits par l'article 5, paragraphe 1, du règlement (UE) n° 537/2014.

#### **Justification des appréciations - Points clés de l'audit**

En application des dispositions des articles L.823-9 et R.823-7 du code de commerce relatives à la justification de nos appréciations, nous portons à votre connaissance les points clés de l'audit relatifs aux risques d'anomalies significatives qui, selon notre jugement professionnel, ont été les plus importants pour l'audit des comptes annuels de l'exercice, ainsi que les réponses que nous avons apportées face à ces risques.

Les appréciations ainsi portées s'inscrivent dans le contexte de l'audit des comptes annuels pris dans leur ensemble et de la formation de notre opinion exprimée ci-avant. Nous n'exprimons pas d'opinion sur des éléments de ces comptes annuels pris isolément.

### **Evaluation des actifs d'exploration**

#### ***Description du risque***

Comme indiqué dans le paragraphe A « Immobilisations incorporelles - actifs d'exploration » de la note « 1.2 Règles et méthodes comptables » de l'annexe aux comptes annuels, les immobilisations incorporelles sont constituées essentiellement des coûts de prospection valorisés au coût historique.

En particulier, les coûts d'exploration comptabilisés en immobilisations incorporelles s'élèvent au 30 juin 2022 à une valeur nette de 43 541 K€ et font l'objet de tests de dépréciation sur une base individuelle, permis par permis.

Nous avons considéré l'évaluation des actifs d'exploration comme un point clé de l'audit en raison de leur importance significative dans les comptes, et des estimations et jugements nécessaires (notamment le volume de gaz et la viabilité technique et économique de chaque projet) pour conduire les tests de dépréciation.

#### ***Procédures d'audit mises en œuvre en réponse à ce risque***

Nos travaux ont consisté à examiner les indicateurs de perte de valeur des actifs d'exploration comptabilisés à l'actif du bilan.

Nous avons ainsi :

- mené plusieurs entretiens au cours de l'exercice avec la direction de la société et obtenu son appréciation sur la qualification des réserves sur la base du rapport de certification qui avait été établi par MHA Petroleum Consultants portant sur les réserves de gaz ;
- pris connaissance de l'analyse juridique effectuée par les avocats de la société portant sur le statut de chaque permis pour lesquels des coûts d'exploration ont été comptabilisés ;
- analysé avec la direction de la société les conséquences des différentes décisions judiciaires rendues au cours de la période, leur impact sur la valeur des actifs et les arguments permettant de justifier le maintien de la valeur des actifs.

#### **Vérifications spécifiques**

**LA FRANCAISE DE L'ENERGIE**  
*Rapport des commissaires aux comptes sur les comptes annuels*  
*Exercice clos le 30 juin 2022*

Nous avons également procédé, conformément aux normes d'exercice professionnel applicables en France, aux vérifications spécifiques prévues par les textes légaux et réglementaires.

***Informations données dans le rapport de gestion et dans les autres documents sur la situation financière et les comptes annuels adressés aux actionnaires***

Nous n'avons pas d'observation à formuler sur la sincérité et la concordance avec les comptes annuels des informations données dans le rapport de gestion du Conseil d'Administration et dans les autres documents sur la situation financière et les comptes annuels adressés aux actionnaires.

Nous attestons de la sincérité et de la concordance avec les comptes annuels des informations relatives aux délais de paiement mentionnées à l'article D.441-6 du code de commerce.

***Informations relatives au gouvernement d'entreprise***

Nous attestons de l'existence, dans la section du rapport de gestion du Conseil d'Administration consacrée au gouvernement d'entreprise, des informations requises par les articles L.225-37-4, L. 22-10-10 et L.22-10-9 du code de commerce.

Concernant les informations fournies en application des dispositions de l'article L.22-10-9 du code de commerce sur les rémunérations et avantages versés ou attribués aux mandataires sociaux ainsi que sur les engagements consentis en leur faveur, nous avons vérifié leur concordance avec les comptes ou avec les données ayant servi à l'établissement de ces comptes et, le cas échéant, avec les éléments recueillis par votre société auprès des entreprises contrôlées par elle qui sont comprises dans le périmètre de consolidation. Sur la base de ces travaux, nous attestons l'exactitude et la sincérité de ces informations.

Concernant les informations relatives aux éléments que votre société a considéré susceptibles d'avoir une incidence en cas d'offre publique d'achat ou d'échange, fournies en application des dispositions de l'article L.22-10-11 du code de commerce, nous avons vérifié leur conformité avec les documents dont elles sont issues et qui nous ont été communiqués. Sur la base de ces travaux, nous n'avons pas d'observations à formuler sur ces informations.

***Autres informations***

En application de la loi, nous nous sommes assurés que les diverses informations relatives aux prises de participation et de contrôle et à l'identité des détenteurs du capital ou des droits de vote vous ont été communiquées dans le rapport de gestion.

***Autres vérifications ou informations prévues par les textes légaux et réglementaires***

***Format de présentation des comptes annuels destinés à être inclus dans le rapport financier annuel***

**LA FRANÇAISE DE L'ENERGIE**  
*Rapport des commissaires aux comptes sur les comptes annuels*  
*Exercice clos le 30 juin 2022*

Nous avons également procédé, conformément à la norme d'exercice professionnel sur les diligences du commissaire aux comptes relatives aux comptes annuels et consolidés présentés selon le format d'information électronique unique européen, à la vérification du respect de ce format défini par le règlement européen délégué n°2019/815 du 17 décembre 2018 dans la présentation des comptes annuels destinés à être inclus dans le rapport financier annuel mentionné au I de l'article L. 451-1-2 du code monétaire et financier, établis sous la responsabilité du directeur général.

Sur la base de nos travaux, nous concluons que la présentation des comptes annuels destinés à être inclus dans le rapport financier annuel respecte, dans tous ses aspects significatifs, le format d'information électronique unique européen.

Il ne nous appartient pas de vérifier que les comptes annuels qui seront effectivement inclus par votre société dans le rapport financier annuel déposé auprès de l'AMF correspondent à ceux sur lesquels nous avons réalisé nos travaux.

#### **Désignation des commissaires aux comptes**

Nous avons été nommés commissaires aux comptes de la société La Française de l'Energie par décision des actionnaires du 29 novembre 2019 pour le cabinet Mazars et du 3 décembre 2020 pour le cabinet BDO Paris.

Au 30 juin 2022, le cabinet Mazars était dans la troisième année de sa mission sans interruption et le cabinet BDO Paris dans la deuxième année.

#### **Responsabilités de la direction et des personnes constituant le gouvernement d'entreprise relatives aux comptes annuels**

Il appartient à la direction d'établir des comptes annuels présentant une image fidèle conformément aux règles et principes comptables français ainsi que de mettre en place le contrôle interne qu'elle estime nécessaire à l'établissement de comptes annuels ne comportant pas d'anomalies significatives, que celles-ci proviennent de fraudes ou résultent d'erreurs.

Lors de l'établissement des comptes annuels, il incombe à la direction d'évaluer la capacité de la société à poursuivre son exploitation, de présenter dans ces comptes, le cas échéant, les informations nécessaires relatives à la continuité d'exploitation et d'appliquer la convention comptable de continuité d'exploitation, sauf s'il est prévu de liquider la société ou de cesser son activité.

Il incombe au comité d'audit de suivre le processus d'élaboration de l'information financière et de suivre l'efficacité des systèmes de contrôle interne et de gestion des risques, ainsi que le cas échéant de l'audit interne, en ce qui concerne les procédures relatives à l'élaboration et au traitement de l'information comptable et financière.

Les comptes annuels ont été arrêtés par le Conseil d'Administration.

#### **Responsabilités des commissaires aux comptes relatives à l'audit des comptes**

## annuels

### *Objectif et démarche d'audit*

Il nous appartient d'établir un rapport sur les comptes annuels. Notre objectif est d'obtenir l'assurance raisonnable que les comptes annuels pris dans leur ensemble ne comportent pas d'anomalies significatives. L'assurance raisonnable correspond à un niveau élevé d'assurance, sans toutefois garantir qu'un audit réalisé conformément aux normes d'exercice professionnel permet de systématiquement détecter toute anomalie significative. Les anomalies peuvent provenir de fraudes ou résulter d'erreurs et sont considérées comme significatives lorsque l'on peut raisonnablement s'attendre à ce qu'elles puissent, prises individuellement ou en cumulé, influencer les décisions économiques que les utilisateurs des comptes prennent en se fondant sur ceux-ci.

Comme précisé par l'article L.823-10-1 du code de commerce, notre mission de certification des comptes ne consiste pas à garantir la viabilité ou la qualité de la gestion de votre société.

Dans le cadre d'un audit réalisé conformément aux normes d'exercice professionnel applicables en France, le commissaire aux comptes exerce son jugement professionnel tout au long de cet audit. En outre :

- il identifie et évalue les risques que les comptes annuels comportent des anomalies significatives, que celles-ci proviennent de fraudes ou résultent d'erreurs, définit et met en œuvre des procédures d'audit face à ces risques, et recueille des éléments qu'il estime suffisants et appropriés pour fonder son opinion. Le risque de non-détection d'une anomalie significative provenant d'une fraude est plus élevé que celui d'une anomalie significative résultant d'une erreur, car la fraude peut impliquer la collusion, la falsification, les omissions volontaires, les fausses déclarations ou le contournement du contrôle interne ;
- il prend connaissance du contrôle interne pertinent pour l'audit afin de définir des procédures d'audit appropriées en la circonstance, et non dans le but d'exprimer une opinion sur l'efficacité du contrôle interne ;
- il apprécie le caractère approprié des méthodes comptables retenues et le caractère raisonnable des estimations comptables faites par la direction, ainsi que les informations les concernant fournies dans les comptes annuels ;
- il apprécie le caractère approprié de l'application par la direction de la convention comptable de continuité d'exploitation et, selon les éléments collectés, l'existence ou non d'une incertitude significative liée à des événements ou à des circonstances susceptibles de mettre en cause la capacité de la société à poursuivre son exploitation. Cette appréciation s'appuie sur les éléments collectés jusqu'à la date de son rapport, étant toutefois rappelé que des circonstances ou événements ultérieurs pourraient mettre en cause la continuité d'exploitation. S'il conclut à l'existence d'une incertitude significative, il attire l'attention des lecteurs de son rapport sur les informations fournies dans les comptes annuels au sujet de cette incertitude ou, si ces



LA FRANCAISE DE L'ENERGIE  
Rapport des commissaires aux comptes sur les comptes annuels  
Exercice clos le 30 juin 2022

informations ne sont pas fournies ou ne sont pas pertinentes, il formule une certification avec réserve ou un refus de certifier ;

- il apprécie la présentation d'ensemble des comptes annuels et évalue si les comptes annuels reflètent les opérations et événements sous-jacents de manière à en donner une image fidèle.

#### *Rapport au comité d'audit*

Nous remettons au comité d'audit un rapport qui présente notamment l'étendue des travaux d'audit et le programme de travail mis en œuvre, ainsi que les conclusions découlant de nos travaux. Nous portons également à sa connaissance, le cas échéant, les faiblesses significatives du contrôle interne que nous avons identifiées pour ce qui concerne les procédures relatives à l'élaboration et au traitement de l'information comptable et financière.

Parmi les éléments communiqués dans le rapport au comité d'audit figurent les risques d'anomalies significatives, que nous jugeons avoir été les plus importants pour l'audit des comptes annuels de l'exercice et qui constituent de ce fait les points clés de l'audit, qu'il nous appartient de décrire dans le présent rapport.

Nous fournissons également au comité d'audit la déclaration prévue par l'article 6 du règlement (UE) n° 537-2014 confirmant notre indépendance, au sens des règles applicables en France telles qu'elles sont fixées notamment par les articles L.822-10 à L.822-14 du code de commerce et dans le code de déontologie de la profession de commissaire aux comptes. Le cas échéant, nous nous entretenons avec le comité d'audit des risques pesant sur notre indépendance et des mesures de sauvegarde appliquées.

Fait à Paris et Strasbourg, le 31 octobre 2022

BDO Paris  
Représenté par Sébastien Haas  
Associé



MAZARS  
Représenté par Laurence Fournier  
Associée



### 8.3 STATUTORY AUDITORS' REPORT ON REGULATED AGREEMENTS

**LA FRANCAISE DE L'ENERGIE**

Avenue du District  
57380 PONTPIERRE

#### **RAPPORT DES COMMISSAIRES AUX COMPTES SUR LES CONVENTIONS REGLEMENTEES**

Exercice clos le 30 juin 2022

Le 31 octobre 2022

**BDO PARIS**

Société d'Expertise Comptable inscrite au Tableau de l'Ordre de la région Paris-Ile-de-France  
Société de Commissariat aux comptes inscrite sur la liste nationale des Commissaires aux comptes,  
rattachée à la CRCC de Paris  
RCS Paris B 480 307 131 00056  
SAS au capital de 3 000 000 euros

**MAZARS**

Société anonyme d'expertise comptable et de commissariat aux comptes  
Société inscrite sur la liste nationale des commissaires aux comptes, rattachée à la CRCC de Colmar  
RCS Strasbourg 348 600 990  
Capital de 400 000 euros

**LA FRANCAISE DE L'ENERGIE**  
*Rapport des commissaires aux comptes sur les comptes annuels*  
*Exercice clos le 30 juin 2022*

## **LA FRANCAISE DE L'ENERGIE**

**Exercice clos le 30 juin 2022**

Rapport des commissaires aux comptes sur les conventions réglementées

A l'assemblée générale de la société La Française de l'Energie,

Aux Actionnaires,

En notre qualité de commissaires aux comptes de votre société, nous vous présentons notre rapport sur les conventions réglementées.

Il nous appartient de vous communiquer, sur la base des informations qui nous ont été données, les caractéristiques, les modalités essentielles ainsi que les motifs justifiant de l'intérêt pour la société des conventions dont nous avons été avisés ou que nous aurions découvertes à l'occasion de notre mission, sans avoir à nous prononcer sur leur utilité et leur bien-fondé ni à rechercher l'existence d'autres conventions. Il vous appartient, selon les termes de l'article R. 225-31 du code de commerce, d'apprécier l'intérêt qui s'attachait à la conclusion de ces conventions en vue de leur approbation.

Par ailleurs, il nous appartient, le cas échéant, de vous communiquer les informations prévues à l'article R. 225-31 du code de commerce relatives à l'exécution, au cours de l'exercice écoulé, des conventions déjà approuvées par l'assemblée générale.

Nous avons mis en œuvre les diligences que nous avons estimé nécessaires au regard de la doctrine professionnelle de la Compagnie nationale des commissaires aux comptes relative à cette mission. Ces diligences ont consisté à vérifier la concordance des informations qui nous ont été données avec les documents de base dont elles sont issues.

#### CONVENTIONS SOUMISES A L'APPROBATION DE L'ASSEMBLEE GENERALE

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##### Conventions autorisées et conclues au cours de l'exercice écoulé

Nous vous informons qu'il ne nous a été donné avis d'aucune convention autorisée et conclue au cours de l'exercice écoulé à soumettre à l'approbation de l'assemblée générale en application des dispositions de l'article L.225-38 du code de commerce.

#### CONVENTIONS DEJA APPROUVEES PAR L'ASSEMBLEE GENERALE

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##### Conventions approuvées au cours de l'exercice écoulé

Nous avons par ailleurs été informés de l'exécution, au cours de l'exercice écoulé, des conventions suivantes, déjà approuvées par l'assemblée générale du 30 novembre 2021, sur rapport spécial des commissaires aux comptes du 30 octobre 2021.

- **Avec la société European Gas Limited**

*Administrateurs, dirigeants ou actionnaires concernés :* Monsieur Julien MOULIN

Votre société a conclu le 13 novembre 2020 un prêt d'actionnaire avec la société European Gas Limited aux termes duquel celle-ci met à la disposition de votre société un prêt d'un montant maximal de 333 333 €, rémunéré à un taux d'intérêt annuel de 2%. Le contrat prévoit un remboursement in fine le 1<sup>er</sup> janvier 2022.

Ce prêt a été intégralement remboursé en date du 30 juillet 2021 pour un montant de 328 989 € dont 3 989 € d'intérêts. Votre société a supporté une charge d'intérêts de 534 € au titre de l'exercice écoulé.

- **Avec la société Deltec Bank and Trust, ancien actionnaire de votre société et la société NextGen Energy Ltd, actionnaire actuel de votre société**

*Administrateurs, dirigeants ou actionnaires concernés :* Monsieur Julien MOULIN

Votre société a conclu le 27 octobre 2017 un prêt d'actionnaire avec la société Deltec Bank And Trust aux termes duquel celle-ci met à la disposition de votre société un prêt d'un montant maximal de 4 300 000 €, rémunéré à un taux

d'intérêt annuel de 1,98%, avec une commission de 2,5%. Cette convention a été modifiée par plusieurs avenants :

- Le premier avenant du 28 septembre 2018 a reporté l'échéance du prêt au 27 décembre 2019 et a prévu une commission additionnelle de 100 000 €, les intérêts et commissions étant payables à l'échéance du prêt, sans modification du taux d'intérêt initial.
- Le deuxième avenant du 30 juin 2019 a reporté l'échéance du prêt selon les modalités suivantes :

Echéances	Montants	Nature de l'échéance
31 décembre 2019	500 000 €	Capital
30 juin 2020	250 000 €	Capital
31 décembre 2020	3 930 000 €	Capital, intérêts et commissions
<b>Total</b>	<b>4 680 000 €</b>	

Cet avenant n'a pas apporté de modification au taux d'intérêt initial.

- Un troisième avenant a été conclu, en date du 30 septembre 2020 et a reporté l'échéance du prêt selon les modalités suivantes :

Echéances	Montants	Nature de l'échéance
31 décembre 2020	2 330 000 €	Non précisé
30 juin 2021	1 000 000 €	Non précisé
31 décembre 2021	1 300 000 €	Solde du capital, des intérêts et commissions
<b>Total</b>	<b>4 630 000 €</b>	

Cet avenant n'a pas apporté de modification au taux d'intérêt initial.

Compte tenu des remboursements de 750 000 € intervenus sur l'exercice clos au 30 juin 2020, la conclusion de ce nouvel avenant représentait par rapport aux dispositions précédentes ressortant du second avenant un surcoût de 700 000 € au titre des intérêts et commissions complémentaires.

**LA FRANÇAISE DE L'ÉNERGIE**  
*Rapport des commissaires aux comptes sur les comptes annuels*  
*Exercice clos le 30 juin 2022*

- Un quatrième avenant a été conclu, en date du 29 octobre 2020 et a reporté l'échéance du prêt selon les modalités suivantes :

Echéances	Montants	Nature de l'échéance
30 juin 2021	3 450 000 €	Non précisé
31 décembre 2021	1 300 000 €	Solde du capital, des intérêts et commissions
<b>Total</b>	<b>4 750 000 €</b>	

Cet avenant n'a pas apporté de modification au taux d'intérêt initial.

La conclusion de ce nouvel avenant représentait par rapport aux dispositions précédentes ressortant du troisième avenant un surcoût de 120 000 € au titre des intérêts et commissions complémentaires.

Par courrier du 12 novembre 2020, Deltec Bank and Trust a informé La Française de l'Énergie du transfert de la dette à NextGen Energy LTD, les dispositions relatives aux modalités de remboursement prévues par l'avenant du 29 octobre 2020 restant inchangées.

- Un cinquième avenant a été conclu, en date du 20 juin 2021 et a modifié l'échéance du prêt selon les modalités suivantes :

Echéances	Montants	Nature de l'échéance
30 juin 2021	1 750 000 €	Non précisé
31 décembre 2021	3 000 000 €	Solde du capital, des intérêts et commissions
<b>Total</b>	<b>4 750 000 €</b>	

Cet avenant n'a pas apporté de modification au taux d'intérêt initial.

La conclusion de ce nouvel avenant n'a pas eu d'impact en termes d'intérêts et / ou de commissions complémentaires. Un remboursement de 1 750 000 € est intervenu le 24 juin 2021.



La dette au 30 juin 2021, incluant les intérêts capitalisés, et compte tenu des remboursements de période de 1 750 000 €, s'élevait à 2 975 442 €.

Cette dette a été intégralement remboursée en date du 12 octobre 2021 et a généré sur l'exercice écoulé une charge d'intérêts de 8 334 € et une charge de commissions de 380 682 €.

- **Entre les sociétés LFDE International et NextGen NRJ Limited**

*Administrateurs, dirigeants ou actionnaires concernés :* Monsieur Julien MOULIN

Un contrat de prestations de services a été conclu en date du 30 juin 2016 et pour une durée indéterminée entre la société LFDE International et la société NextGen NRJ Limited consistant en la fourniture de services spécifiques de relations publiques, notamment au niveau européen, et de recherche de financements au sein de la communauté des investisseurs internationaux, notamment ceux basés à Londres. Les services fournis visent :

- Les prestations de relations publiques, le prestataire s'engageant à faire la promotion des activités du groupe La Française de l'Energie notamment auprès des instances de l'Union européenne en charge des dossiers concernant l'énergie ;
- Les prestations de recherche d'opérations de croissance externe et de financements, le prestataire s'engageant notamment à mettre au service du groupe son expertise financière pour la préparation de futures acquisitions et à promouvoir le groupe auprès des banques, fonds d'investissements et *family offices*.

Les conditions de rémunération de ces prestations sont les suivantes :

- Versement d'honoraires mensuels d'un montant de 10 000 € hors taxes au titre des relations publiques, soit 120 000 € hors taxes annuels ;
- Rémunération spécifique et discrétionnaire pouvant être recommandée par le Comité des Rémunérations en contrepartie des services ponctuels d'assistance dans les levées de fonds.

Ce contrat a fait l'objet d'un avenant conclu en date du 23 octobre 2020 avec effet au 1<sup>er</sup> octobre 2020. Les dispositions du contrat initial restent inchangées à l'exception du montant des honoraires mensuels passant à 15 833,33 € hors taxes, soit 190 000 € hors taxes annuels.

Le montant comptabilisé en charges par LFDE International au titre de ce contrat pour l'exercice écoulé s'élève à 190 000 € hors taxes.

**LA FRANCAISE DE L'ENERGIE**  
*Rapport des commissaires aux comptes sur les comptes annuels*  
*Exercice clos le 30 juin 2022*

La charge supportée par LFDE International a été répercutée à votre société à hauteur de 59 850 € hors taxes.

Fait à Paris et Strasbourg, le 31 octobre 2022

BDO Paris  
Représenté par Sébastien Haas  
Associé



MAZARS  
Représenté par Laurence Fournier  
Associée



## 9. CONSOLIDATED FINANCIAL STATEMENTS

### 9.1 CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

#### CONSOLIDATED INCOME STATEMENT

Year ended 30 June 2022	Notes	30 June 2022	30 June 2021
		€	€
Turnover	2.1	26 220 447	10 236 073
Other operating income	2.2	460 922	710 974
Cost of goods and services sold	2.3 / 2.4	-6 342 743	-4 230 624
Other administrative and operating expenses	2.3 / 2.4	-6 385 880	-3 559 550
Other income/(expenses)	2.5	1 143 251	90 977
Net provisions	2.6	1 268 866	-323 753
<b>EBITDA</b>		<b>16 364 863</b>	<b>2 924 097</b>
Depreciation and amortisation		-2 110 102	-1 506 029
<b>Operating income</b>		<b>14 254 761</b>	<b>1 418 068</b>
Financial income		2 336	7 894
Gross financial debt cost	2.7	-4 388 584	-1 123 109
Other financial expenses	2.7	-182 956	-81 171
<b>Pre-tax earnings</b>		<b>9 685 556</b>	<b>221 682</b>
Current and deferred taxes	2.8	-2 486 572	70 963
<b>Net income</b>		<b>7 198 984</b>	<b>292 645</b>
Net earnings, group share		7 314 163	273 562
Net earnings, non-controlling interests		-115 179	19 083
<i>Net per share, group share</i>			
- Basic earnings per share		1,41	0,05
- Diluted earnings per share		1,41	0,05

## STATEMENT OF COMPREHENSIVE INCOME

Year ended 30 June 2022	Notes	30 June 2022	30 June 2021
		€	€
Net income		7 198 984	292 645
-		-	-
<b>Items subsequently transferred to profit or loss</b>		-	-
Actuarial gains and losses on pension plans		23 951	5 380
Tax effect		-5 988	-1 345
<b>Items not subsequently transferred to profit or loss</b>		<b>17 963</b>	<b>4 035</b>
<b>Overall earnings</b>		<b>7 216 948</b>	<b>296 680</b>
Overall earnings, group share		7 332 127	277 597
Overall earnings, non-controlling interests		-115 179	19 083
<i>Overall earnings per share, group share</i>			
- <i>Basic earnings per share</i>		1,41	0,05
- <i>Diluted earnings per share</i>		1,41	0,05

## CONSOLIDATED BALANCE SHEET

Year ended 30 June 2022	Notes	30 June 2022	30 June 2021
		€	€
<b>ASSETS</b>			
Goodwill	3.1	5 758 856	47 848
Exploration assets	3.2	45 996 551	45 546 291
Other intangible assets	3.3	3 546	4 187
Proven mining rights	3.4	24 261 443	24 508 782
Other tangible assets	3.5	29 033 205	19 793 468
Non-current financial assets	3.6	1 818 714	1 832 976
Deferred tax assets	2.7	1 667 469	2 090 138
<b>Non-current assets</b>		<b>108 539 784</b>	<b>93 823 691</b>
Stocks	3.7	563 433	619 879
Trade receivables and related accounts	3.8	8 762 185	1 391 136
Other current assets	3.8	4 361 505	4 148 165
Prepaid and deferred expenses	3.8	261 646	83 780
Cash and cash equivalents	3.9	23 985 203	6 981 209
<b>Current assets</b>		<b>37 933 971</b>	<b>13 224 170</b>
<b>Total Assets</b>		<b>146 473 756</b>	<b>107 047 860</b>
<b>EQUITY CAPITAL AND LIABILITIES</b>			
Capital	3.10	5 172 813	5 163 970
Premiums	3.10	65 519 886	44 070 875
Other reserves		-14 707 621	5 799 149
Net earnings, group share		7 314 163	273 562
Other equity capital items		25 853	7 889
<b>Equity capital - group share</b>		<b>63 325 093</b>	<b>55 315 445</b>
Non-controlling interests		-232 168	-40 770
<b>Equity capital of the consolidated group</b>		<b>63 092 925</b>	<b>55 274 675</b>
Non-current financial debt	3.12	48 861 166	20 809 156
Non-current provisions		3 183 758	4 231 336
Provisions for pension liabilities		63 709	33 532
Deferred tax liabilities	2.7	6 427 840	6 379 871
Other non-current liabilities		1 563 750	509 401
<b>Non-current liabilities</b>		<b>60 100 223</b>	<b>31 963 297</b>
Current financial debt	3.12	6 910 409	6 303 162
Current provisions	3.14	283 576	109 571
Trade payables and related accounts	3.13	4 386 301	2 848 929
Fixed assets suppliers	3.13	3 980 142	4 856 008
Other current liabilities	3.13	7 720 179	5 692 220
<b>Current liabilities</b>		<b>23 280 608</b>	<b>19 809 888</b>
<b>Total equity capital and liabilities</b>		<b>146 473 756</b>	<b>107 047 860</b>

## CONSOLIDATED CASH FLOW STATEMENT

Year ended 30 June 2022	Notes	30 June 2022	30 June 2021
		€	€
<b>Operating activities</b>			
Net earnings of the consolidated group		7 198 984	292 645
Current and deferred tax expense	2.6	2 486 572	-70 963
Net depreciation and impairment of tangible and intangible assets		2 110 102	1 506 029
Net provisions		-1 268 866	323 753
Gain/loss on asset disposals			
Changes in operating working capital	4.1	-8 206 836	911 026
Changes in working capital - other assets and liabilities	4.1	308 114	1 220 646
Share-based payment expense		632 784	137 952
Gross financial debt cost	2.5	4 388 584	1 123 109
Paid tax		-4 815	-4 815
Other non-monetary items		268 307	-148 952
<b>OPERATING CASH FLOW</b>		<b>7 912 930</b>	<b>5 290 429</b>
<b>Investment activities</b>			
Capitalised exploration costs	3.1	-309 475	-246 761
Tangible and intangible investments	3.3	-11 183 137	-10 406 805
Proceeds from disposal of tangible and intangible assets	3.3	43 406	0
Change in payables on fixed assets		-875 866	962 779
Grants received on investment activities	3.3	578 747	652 188
Acquisition/disposal of financial assets	3.8	225 461	-360 515
Acquisition of shareholding net of cash		-2 117 548	-95 884
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		<b>-13 638 412</b>	<b>-9 494 998</b>
<b>Financing activities</b>			
Cash flow from bond issues			
Issuance of loans and financial debts (excluding expenses)	3.8	31 132 381	11 125 000
Repayment of loans and financial debts	3.8	-7 384 583	-3 802 334
Other financial debts	3.8	1 840 303	457 555
Cost of net debt: interest paid		-1 931 116	-410 639
Fees paid on borrowings		-786 250	-92 543
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		<b>22 870 735</b>	<b>7 277 039</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>		<b>17 145 253</b>	<b>3 072 470</b>
Net cash and cash equivalents at the beginning of the year		6 839 950	3 767 479
<b>NET CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		<b>23 985 203</b>	<b>6 839 950</b>

The net cash position at the year-end presented in the consolidated cash flow statement is made up of bank accounts net of bank overdrafts, cash accounts and the cash portion of the liquidity contract in place for the Group.

## CHANGES IN CONSOLIDATED EQUITY

Year ended 30 June 2022	Shares		Capital	Premiums	Other equity capital items	Earnings and other reserves - group share	Total Equity capital - group share	Non-controlling interests	Total equity capital of the consolidated group
	Number	Par value							
		€	€	€	€	€			
<b>At 30 June 2020</b>	<b>5 155 890</b>	<b>1</b>	<b>5 155 890</b>	<b>44 078 955</b>	<b>3 854</b>	<b>5 120 564</b>	<b>54 359 263</b>	<b>-60 594</b>	<b>54 298 669</b>
Net income						273 562	273 562	19 083	292 645
Other equity items					4 035		4 035		4 035
Free share plan						137 952	137 952		137 952
Recovery of development costs						510 262	510 262		510 262
Other changes						30 371	30 371	741	31 112
Capital increase (free shares)	8 080	1	8 080	-8 080			0		0
<b>At 30 June 2021</b>	<b>5 163 970</b>	<b>1</b>	<b>5 163 970</b>	<b>44 070 875</b>	<b>7 889</b>	<b>6 072 711</b>	<b>55 315 445</b>	<b>-40 770</b>	<b>55 274 675</b>
Net income						7 314 163	7 314 163	-115 179	7 198 984
Other equity items					17 964		17 964		17 964
Free share plan						632 724	632 724		632 724
Recovery of development costs						33 364	33 364		33 364
Other changes						11 432	11 432	-76 219	-64 787
Capital increase (free shares)	8 843	1	8 843	-8 843			0		0
<b>At 30 June 2022</b>	<b>5 172 813</b>	<b>1</b>	<b>5 172 813</b>	<b>44 062 032</b>	<b>25 853</b>	<b>14 064 395</b>	<b>63 325 093</b>	<b>-232 168</b>	<b>63 092 925</b>

The capital increase of €9K carried out during FY2022 is related to the recognition by the Chairman on 30 November 2021 of the permanent allocation of employee free shares to beneficiaries of the fourth plan implemented in 2019 by the Board of Directors according to the powers delegated by the General Meeting of 29 November 2019.

Following the fulfilment of all the conditions of presence and at the end of the vesting period provided for in the Plan Regulations, 8,843 shares were thus awarded, with capital increased through incorporation of share premiums.

The items “Adjustment of development costs” present the impact of corrections of errors net of tax related to the non-capitalisation of some development costs incurred during previous years.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. ACCOUNTING RULES, METHODS AND PRINCIPLES

#### 1.1. General principles and basis of preparation of consolidated financial statements

On 19 October 2022, the Board of Directors approved the FDE SA Group's consolidated financial statements for the financial year ending 30 June 2022. They will be submitted to the shareholders for approval during the General Meeting to be held on 30 November 2022.

FDE S.A. is the parent company domiciled and registered in France of the Group's consolidated entity as at 30 June 2022. The scope thereof is presented in note 4.11 to these consolidated financial statements. The company's registered office is located at Avenue du District 57380 Pontpierre. The Group's main activities is production of low-carbon energy solutions specific to each territory. The Group mainly operates in France and Belgium.

The scope of consolidation changed during this financial year versus 30 June 2021, as Cryo Pur was included in the scope of consolidation on 1 January 2022, following the acquisition of 94% of its shares by FDE for €2.5M paid out in cash. FDE's stake had increased to 96.27% at the year-end, following a capital increase on 30 June 2022. This French company has been operating since its inception in the sale of LBG and Bio-CO2 production equipment and had staff of 15 people at the financial year-end.

This transaction may give rise to an additional price payment of €3M until 30 December 2023. The fair value of this additional price is considered to be zero, as the conditions required to trigger its payment are considered unlikely to be met.

The contribution of this entity to the consolidated accounts was insignificant as at 30 June 2022: total assets excluding goodwill of €2,762K, revenues of €1,169K and net income of -€444K.

Apart from Cryo Pur, there were no other changes in the interest percentage in the consolidated entities during this financial year.

All the entities in the scope are fully consolidated. All group companies close their accounts on 30 June 2022.

The consolidated financial statements for FY2022 were prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the IASB, adopted by the European Union and applicable at the balance sheet date of 30 June 2022.

The Group's consolidated financial statements are presented in Euro, which is the functional currency of the parent company and its subsidiaries, excluding Concorde Energy Inc (US dollars), which had no activity during the financial year ended 30 June 2022 and the previous financial year.

The new amendments published in the Official Journal of the European Council, which are mandatory, were considered, but they had no impact on the Group's annual Consolidated Financial Statements as of 30 June 2022:

- Amendments to IFRS 4: Insurance Contracts - provisional exemption from IFRS 9
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: In connection with the reform

- of interbank rates (“benchmark rates”) - phase 2
- Amendments to IFRS 16: COVID-19 rent relief beyond 30 June 2021

Lastly, the Group had no early application of any standards or amendments in its consolidated accounts as at 30 June 2022.

The preparation of financial statements in accordance with IFRS requires the Group’s management to make estimates, assumptions and judgements that affect the information presented in the condensed consolidated financial statements and their accompanying notes, particularly assets, liabilities and contingent liabilities recognised or presented at the balance sheet date as well as income and expenses recognised during the period.

These estimates, assumptions and judgements are based on past experience and other factors considered reasonable at the date of preparing the financial statements. They are reviewed on a regular basis by the Group’s management and may therefore be revised significantly in the event of a change in circumstances or upon receipt of new information. Some of these estimates, assumptions or judgements could have a material impact on the information presented and the final outcome could also differ from the amounts included in the consolidated financial statements and their accompanying notes.

The application of these estimates, assumptions and judgements in preparing the consolidated financial statements and their accompanying notes as at 30 June 2022 mainly entails application of the going concern principle, application of the successful efforts method for oil exploration activities, impairment of assets and determination of their recoverable amount, provisions for site restoration, recognition of deferred tax assets and liabilities, as well as measurement of share-based payments.

## **1.2. Accounting rules and methods**

### A/ Consolidation Principles

In accordance with IFRS 10 provisions, the Group applies the full consolidation method when the following three conditions are cumulatively met to demonstrate control:

- Power held over the entity;
- Exposure or rights to variable returns from the entity;
- The ability to exercise its power to impact returns.

Intercompany transactions, assets and liabilities between consolidated companies, as well as internally generated profits are eliminated.

### B/ Going concern

In preparing the consolidated financial statements, Management assesses the Group’s ability to continue as a going concern.

More particularly, the Group’s Management regularly reviews its financing options to ensure that it can continue as a going concern, bearing in mind the maturities of its various assets and liabilities, and anticipated cash flows, including those from its sales of gas, electricity and heat.

The operating cash flow generated by the Group for FY2022 amounts to €7.9M versus €5.3M for the previous financial year, due particularly to increased volumes and prices of gas in

France and electricity in Belgium. At 30 June 2022, following the loans taken out during the year, the Group's cash position was positive at €24.0M.

Regarding the cash belonging to the Gazonor entity, since 30 June 2019, all or part of it may only be made available to the Group's entities, including FDE, upon authorization from the lenders, BPI and SaarLB, and if in compliance with the financial ratios in effect on that date. However, this rule does not apply to re-invoicing of services or other intra-group agreements, amounting to €3.0M and which can be made available to FDE by Gazonor without the lenders' authorisation. At 30 June 2022, based on the credit agreements, no restrictions would apply to the net cash held by Gazonor, i.e. €4.7M.

Management's forecasts and estimates of the Group's capacity to continue as a going concern are based particularly on the following factors: continued production of gas, electricity and heat in Hauts-de-France and Grand-Est, and of electricity in Belgium according to the plans and assumptions made (changes in gas prices in France and electricity prices in Belgium, quantity and quality of volumes produced on site, capacity to inject into the networks), stability of general and administrative expenses, completion of maintenance operations and major overhauls needed for proper functioning of its facilities, particularly the cogeneration units installed in the Hauts-de-France and Wallonia regions.

As regards significant investment projects that may commence in the next twelve months, the Group has already obtained the necessary financing, particularly via the issuance of the green bonds dated 15 September 2021 by LFDE International for an amount of €25M, fully subscribed, and a second issue of green bonds dated 30 September 2022 by LFDE International for an amount of €20M, also fully subscribed.

The Group's forecasts up to the end of June 2023 show that it will generate enough cash to ensure the continuation of its activities.

On the basis of these data and forecasts, the Group considers that it has the capacity to continue as a going concern in 2023 and, more generally for the next 12 months, to meet its cash requirements and settle its liabilities on its balance sheet.

The Group's consolidated financial statements as at 30 June 2022 have therefore been prepared on a going concern basis.

### C/ Sectoral information

The sectoral information presented in the Group's consolidated financial statements is based on the internal reporting used by Management to assess performance and allocate resources to the various sectors.

The Group's business is grouped for analysis and decision-making purposes by Management into four operating sectors, characterised by a different model in terms of gas exploitation and development on the one hand and solar exploitation on the other. These operating sectors are as follows as at 30 June 2022, covering at that date the geographical areas in which the Group currently operates its business:

- Exploitation and development of coal seam gas (Moselle-Grand Est): prospecting, certification of coal seam gas (CSG) reserves, and exploitation of this gas for gas and/or hydrogen development in short circuits.
- Exploitation and development of abandoned mine methane (Pas-de-Calais -Hauts de France / Anderlues -Wallonie): capture of gas present in mines and exploitation as gas,

electricity or heat.

- Solar exploitation (Moselle-Grand Est): exploitation in the form of heat and electricity
- Other sectors: includes Cryo Pur, whose activity is to design, manufacture, market and operate a range of equipment that integrates the purification of biogas by cryogenics and the liquefaction of biomethane and Bio-CO<sub>2</sub>.

#### D/ Turnover recognition

Turnover is recognised when a performance obligation is satisfied by transfer of a good or service to the customer, such transfer being considered as having occurred when the Group is no longer involved in the management or effective control of the goods and services thus transferred.

Performance obligations are identified at inception and determined on the basis of contractual terms and customary commercial practices after identification of contracts within the scope of IFRS 15. Transaction prices are allocated to each performance obligation in proportion to their separate selling price.

Sales of gas, electricity and heat are recorded under the contractual terms with the Group's main customers, Total, EDF-OA, EDF Luminus, Dalkia and Enes.

#### E/ Business combinations and goodwill

Business combinations are accounted for using the acquisition method. This method requires the Group to recognize identifiable assets and liabilities at their fair value.

The allocation of the purchase price is finalised within a maximum period of one year from the acquisition date.

The acquirer must recognise the positive goodwill on the assets side of the Balance Sheet at the date of acquisition, measured as the excess between:

- the consideration transferred, the amount of non-controlling interest and, in a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held interest in the acquired entity;
- with respect to the acquisition-date fair value of the identifiable assets acquired and liabilities taken over.

Goodwill recorded in the balance sheet has been determined using the partial goodwill method.

If the consideration transferred is less than the fair value of the identifiable assets acquired and liabilities assumed, the identification and measurement of the identifiable assets and liabilities are further analysed. Upon completion of the further analysis, the negative goodwill is recognised directly in the income statement.

#### F/ Conversion methods

Transactions in foreign currencies other than the entity's functional currency are translated at the applicable exchange rate on the transaction date. At the year-end, monetary assets and liabilities are converted at the closing rate and the resulting exchange difference is recorded as income.

### G/ Liquidity contract

As part of FDE's listing on the Paris Euronext market, compartment C, a liquidity contract is in place to mitigate the intra-day volatility of its shares. This liquidity contract, in accordance with the AFEI (French Association of Investment Firms) Code of Ethics, was initially signed on 15 June 2016 with Aurel BCG for the provision of liquidity for an amount of €350K, to be divided between a liquidity account and a security account.

On 22 June 2017, this liquidity contract was transferred from Aurel BCG to Midcap Partners (Louis Capital Markets), a new investment services provider, and the contract was renewed on 15 March 2019 under the same operating conditions. On 30 June 2022, the cash share of this contract represented €85K versus €72K the previous year.

### H/ Share-based payment

A personnel expense is recognised for services remunerated by benefits granted to employees in the form of share-based payments. The purchase cost of the shares and similar instruments is measured by reference to the fair value at the date the equity instruments are awarded.

For stock options reserved for employees, or employee free shares that may be granted to employees, this fair value is recorded under personnel costs with a direct matching amount in equity as soon as the rights are awarded to the employee, spread over the entire vesting period of these shares for all free share plans applicable within the Group at the end of FY2022.

The fair value of stock options, free share allocations and similar plans is measured on the basis of the share price, the exercise price and the life of the option, the current price of the underlying shares, the expected volatility of the share price, and the risk-free interest rate for the life of the option, taking into account the absence of dividends over the vesting period of the rights.

### I/ Current and deferred taxes

The tax expense for the period comprises current tax and changes in deferred tax since the previous balance sheet date. The Group calculates its income taxes in accordance with the tax laws applicable in the countries where the results are taxable, notably France and Belgium.

Temporary differences between the consolidated values of assets and liabilities and those resulting from the application of tax regulations give rise to the recognition of deferred taxes.

The tax rate used to calculate deferred taxes is the one known at the balance sheet date and applicable to the periods during which the assets will be realised or the liabilities settled: the effects of changes in rates are recorded in the period during which the decision to change the rate is taken, and this takes place in the income statement, except when they relate to transactions recognised directly in equity. No rate changes were recorded for FY2022.

Tax savings from tax loss carryforwards are recorded as deferred tax assets. All of these deferred tax assets are written down if they are deemed unrecoverable, with only the amount that is likely to be used being recognised as a balance sheet asset. As of 30 June 2022, the amount of unrecognised losses stood at €42.7M, including €11.6M for LFDE International

(Luxembourg), €2.3M for Greenhill (Belgium) and €28.8M for Cryo Pur.

### J/ Exploration expenses

Expenditure recognised as exploration assets in the consolidated balance sheet comprises all costs incurred during the prospecting and drilling phases of exploration. Survey and analysis costs and all costs incurred prior to securing mining permits are expensed immediately. Geological and geophysical expenditures, including seismic surveys, are also expensed directly for the period.

The Group applies IFRS 6 for the recognition of exploration expenditure. The recognition of production rights and assets of subsoil resources is carried out using the successful efforts method.

Exploration drilling is recognised and tested for impairment on an individual basis as follows:

- The exploration drilling cost incurred in discovering proven reserves is capitalised and subsequently depreciated using the unit-of-production method, based on the proven reserves developed;
- Pending determination of whether proven reserves have been discovered, exploration costs are capitalised when both of the following conditions are met:
  - The well has revealed a sufficient volume of gas to justify bringing it on stream, if necessary, assuming that the necessary investments for production are made;
  - The Group has made sufficient progress in determining the reserves and the technical and economic viability of the project. This progress is assessed on the basis of criteria such as additional exploration work (wells, seismic work or significant studies) being carried out or included in a firm programme, completion of development studies, and consideration of the fact that the Group may be awaiting government or third party approval of a proposed project or availability of transportation or processing capacity in an existing facility.

Exploration costs that do not meet these requirements are expensed.

### K/ Property, plant and equipment

Property, plant and equipment includes acquired proven mineral reserves.

Property, plant and equipment are recognised in the balance sheet at their acquisition cost, less depreciation and any impairment losses, in accordance with IAS 16. For significant assets, notably those related to motors and compressors used by the subsidiaries Gazonor and Gazonor Benelux for the production of green electricity, the components have been identified and depreciated over their own useful lives.

Proven mining rights are depreciated using the unit-of-production method based on proven and probable reserves.



Other tangible assets are depreciated on a straight-line basis over their estimated useful life and any residual value. The periods retained are as follows:

Buildings	10 to 20 years
Building fixtures	5 years
Technical facilities	10 to 15 years
Site facilities	25 years
Industrial machinery and equipment	5 to 10 years
Transport equipment	4 to 5 years
Office equipment and furniture	3 to 5 years

### L/ Depreciation and impairment of fixed assets

The recoverable value of property, plant and equipment and intangible assets is tested as soon as there is a sign that the assets may be impaired, with this test being carried out at least once a year for goodwill and intangible assets with an indefinite useful life.

In particular, mining rights and exploration assets, recognised as intangible assets, are tested for impairment within the scope of cash generating units (CGUs) defined for the Group as hydrocarbon fields or groups of fields that are homogeneous and consistent in terms of production, processing and disposal of these hydrocarbons. For the Group, these CGUs overlap as of 30 June 2022 with the various exclusive exploration permits currently held.

The value in use of a CGU is determined by reference to the value of the discounted future cash flows expected from these assets pursuant to the economic assumptions and operating conditions projected by the Group's management. The discount rate of the expected cash flows reflects the rate of return expected by investors in the relevant business and the risk premium specific to that business.

The goodwill relating to Cryo Pur did not undergo such a test as at 30 June 2022 given the fact that this entity was acquired during the financial year and there was no indication of impairment.

### M/ Leases

The Group accounts for all its leases, i.e. when they give the lessee the right to control the use of a specific asset, according to a model in which an asset is recognised in the balance sheet for the right to use the leased assets and a liability is recognised for the associated rental obligations.

The accounting measure of these items in the balance sheet depends on the following:

- The estimated duration to be retained for each contract. The determination of this duration is the non-cancellable duration plus the intervals covered by any extension option that the lessee is reasonably sure to exercise and any termination option that the lessee is sure not to exercise;
- The combination of the fixed and variable components of contractual payments;
- The determination of the marginal borrowing rate where the implicit rate of the contract is not easily determinable.



The Group has chosen to use the two exemptions proposed by the standard on leases, namely, contracts with a duration of less than 12 months and contracts with a renewal value of the underlying property of less than €5K.

Furthermore, leases for land and parcels located in the Lorraine region are excluded from the scope of IFRS 16, as they relate to leases entered into for exploration of mining, oil and gas resources.

### N/ Inventories

Inventories are mainly composed of spare parts and lubricants used by Gazonor sites as at 30 June 2022. The latter are valued at their production or acquisition cost, plus ancillary purchase costs, and may not exceed their realisation value.

Inventory movements are valued using the “first-in, first-out” (FIFO) method.

An impairment loss is recognised when the net realisable value of these inventories is less than their production or acquisition cost.

An impairment loss was recorded for an amount of €60K on 30 June 2022 (€49K in 2021).

### O/ Financial assets and liabilities

The fair value (or market value), for assets, is the selling price that would be obtained in the event of disposal and, for liabilities, is the amount that would be paid to transfer them, such theoretical transactions being concluded under normal trading conditions.

#### **(i) Loans and receivables**

Loans and receivables are financial assets, the payments of which are determined or determinable, which are not listed on an active market, and which are neither held for trading nor available for sale. These assets are initially recognised at fair value and subsequently at amortised cost using the effective interest method. For short-term receivables with no stated interest rate, the fair value is equivalent to the original invoice amount. These assets are tested for impairment if there is any indication of impairment. An impairment loss is recognised if the carrying amount exceeds the estimated recoverable amount. Receivables from equity investments, other loans and receivables and trade receivables are included in this category. They are included in other financial assets and trade receivables.

#### **(ii) Assets held to maturity**

Assets held-to-maturity are financial assets, other than loans and receivables, having a fixed maturity, where payments are fixed or determinable and the Group has the intention and the ability to hold to maturity. These assets are initially recognised at fair value and subsequently at amortised cost using the effective interest method. The assets are tested for impairment if there is any indication of impairment. An impairment loss is recognised if the carrying amount exceeds the estimated recoverable amount. Held-to-maturity assets are presented as other financial assets.

**(iii) Non-derivative financial liabilities**

Non-derivative financial liabilities are recognised initially at fair value adjusted for transaction costs and premiums directly incurred from their issue. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest rate method.

The main non-derivative financial liabilities include:

- Bonds;
- Accrued interests not due;
- Loans and bank overdrafts;
- Financial debts related to securitised receivables for which the Group bears the credit risk;
- Trade payables.

The fair value of the debt component of a convertible bond is determined using a market interest rate applied to an equivalent non-convertible bond. This amount is recognised as a liability on the basis of its amortised cost until the debt is fully serviced on conversion of the bonds or when they mature. The remainder of the proceeds of the issue is allocated to the conversion option and recognised in shareholders' equity or in debts, depending on whether or not the conversion option constitutes an equity instrument, net of tax.

**(iv) Factoring contract**

A factoring contract was concluded in January 2018 by the Gazonor entity. This contract is analysed as a recourse contract, with retention of substantially all the risks and rewards of the receivables.

At financial year's end 2022, receivables assigned but not yet resolved by the final customer are presented as trade receivables with a counterpart recognised as current financial debt.

**(v) Debt-issue costs and non-conversion premium**

Issuance costs directly incurred from the issuance of a financial liability are deducted from the initial fair value of the debt and mechanically spread over the life of the debt using the effective interest rate method. An amount of €1,542K was thus deducted from the financial debts as of 30 June 2022.

The non-conversion premium related to the bond issue is also spread over the life of the bond and recognised as a liability using the effective interest rate method. This premium has been calculated on the basis of contractual data of the loan and according to the most probable calculation assumption as at 30 June 2022.

**P/ Current and non-current provisions**

A provision is recognised when the Group has a present legal or constructive obligation stemming from a past event, where it is probable that an outflow of resources will be required to settle the obligation and such outflow can be reliably estimated. The amount recorded as provision is the best estimate of the obligation.

Provisions include liabilities of uncertain timing or amount arising from environmental risks, regulatory and tax risks, litigation and other risks or charges.

**(i) Site restoration and decommissioning costs**

Future site restoration costs arising from a legal, regulatory, contractual or constructive obligation are covered by provisions on the basis of a reasonable estimate during the year in which the obligation arises.

As a counterpart to this provision, site restoration costs are capitalised and included in the value of the underlying asset and depreciated over the useful life of that asset.

Provisions for restoration and dismantling recognised in the Group's accounts as at 30 June 2022 cover exploration sites that have been or are being drilled in the Lorraine region, as well as sites used by Gazonor in Hauts-de-France and Gazonor Benelux in Wallonia to produce gas and green electricity.

Considering the execution date of these restoration obligations, the amounts recorded have been discounted. The inflation rate applied at 30 June 2022 is the Eurozone 2-year swap inflation rate (4.14% vs 0.88% during the previous year) while the discount rate is the Ibbotson Corp AA 10+ benchmark market rate (3.22% vs 0.79% in 30 June 2021), based on Willis Towers independent data.

**(ii) Retirement commitment**

According to applicable laws and practices, the Group participates in pension, welfare, medical and retirement benefit plans, with benefits being dependent on various factors such as length of service, salaries and payments to compulsory general schemes.

For defined contribution plans, expenses include contributions paid to external organisations responsible for administrative and financial management of the plans. These schemes release the employer from any subsequent obligation, as the organisation is responsible for paying amounts due to employees (basic old-age social security scheme, supplementary pension schemes, defined contribution pension funds).

These contributions are recognised as expenses when due, with no liability recognised in the balance sheet.

For defined benefit plans and for retirement benefit obligations, commitments are valued using the projected unit credit actuarial method, taking into account actuarial assumptions such as salary increases, retirement age, mortality, staff turnover and discount rate.

The cost of services rendered is recognized in operating items while the financial cost is recorded in financial items for the year. In accordance with IAS 19, actuarial gains and losses arising from movements in discount rates and demographic changes are recognised as other equity.

As at 30 June 2022, the Group had not recorded any hedging asset to cover such retirement commitments.

**(iii) Other provisions**

Other current and non-current provisions mainly include litigation involving the Group at the balance sheet date. A provision is only recognised in the event of the existence of a cause of action at 30 June 2022, a probable outflow of resources representing economic benefits

and a reliable estimate of the obligation.

The estimated provision is considered on the basis of the most probable value, i.e. an assessment based on the value of the last judgment rendered or the estimate made by lawyers or legal advisers in the case of ongoing litigation.

### Q/ Investment grant

In accordance with the two possible accounting treatments under IAS 20, investment grants are recognised as a deduction from the gross value of the assets to which they relate.

The grant awarded by the Grand-Est Region for a research programme centred on the exploitation in short circuits of Lorraine coal gas, in partnership with the University of Lorraine, has been classified as “other non-current liabilities” since 2018 for €250K, pending definition of fair breakdown of the eligible expenses it covers, between exploration investments and personnel costs.

An ADEME grant was notified on 29 November 2019 for €1,304K in respect of the company Cellcius and will be released gradually based on expenses incurred for the construction of a solar thermal field in the Creutzwald (Moselle) commune. Eligible expenses retained for this project total €2,363K, while the Group has recognised an amount of €1,044K for this grant at the closing date of these annual consolidated accounts. This grant was deducted from capitalised costs at the end of the year.

European aid from the ERDF-ESF programme (European Regional Development Fund - European Social Fund) was awarded to Gazonor for an amount of €2.8M on 24 October 2019 and accompanying the installation of 20 new cogeneration units on concessions currently held by the Group in the Hauts-de-France Region, in order to recover the abandoned mine methane exploited in short circuits, thereby eliminating all firedamp emissions in the former mining basin of this area. Eligible expenses for this project amount to €9,190K.

A portion of this grant was recognised for €484K in the consolidated financial statements as at 30 June 2022, as eligible investments on the Béthune project submitted at that date.

## **2. NOTES TO THE INCOME STATEMENT**

### **2.1. Turnover**

During the year ended 30 June 2022, the Group generated turnover of €26.2M versus €10.2M the previous financial year. Nearly 69% of the Group’s sales were made via its subsidiaries Gazonor and Gazonor Béthune and its production sites located in Hauts-de-France, from production and sale of gas, green electricity and heat to their customers Total Gas and Power, EDF Obligations d’Achats and Dalkia. The rest came from sale of electricity in Belgium (Wallonia, Anderlues site) representing 26%, for which production by three additional cogeneration units started in January 2022 for sales to EDF Luminus, and to a lesser extent from a 4% contribution by the new subsidiary Cryo Pur.

This growth in revenues was mainly driven by increased volumes of gas, electricity and heat sold following the launch of the Gazonor Béthune and Cellcius facilities with contributions of €1,942K and €154K respectively, the launch of three new cogeneration units by Gazonor Bénélux, as well as by higher gas prices in France and electricity prices in Belgium.

Turnover for FY2021 and FY2022 is broken down as follows:

Turnover breakdown (in M€)	30 June 2022	30 June 2021	Var.
Gas sales - France	11.8	3.5	233%
Electricity sales - France	6.0	5.6	8%
Electricity sales - Belgium	6.9	1.0	617%
Heat sales - France	0.4	0.2	104%
Equipment and services Cryo Pur - Norway	1.2		
<b>Annual turnover</b>	<b>26.2</b>	<b>10.2</b>	<b>156%</b>

## 2.2. Other operating income

Other operating income amounted to €461K at 30 June 2022 and mainly incorporated the valuation of the Research and Innovation Tax Credit declaration for the 2021 calendar year amounting to €191K and re-billed services for some projects carried out during the year.

## 2.3. Cost of goods and services sold, administrative and operating expenses

The cost of goods and services sold includes the following items, relating to production costs directly incurred on sales of gas, electricity and heat by the Gazonor, Gazonor Benelux, Gazonor Béthune and Cellcius entities, as well as production costs associated with the construction of Cryo Pur units totalling nearly €699K:

Cost of goods and services sold	30 June 2022	30 June 2021
	€	€
Electricity	2 537 784	1 847 472
Natural gas	109 563	50 874
Purchase of equipment and consumables	1 177 283	192 866
Maintenance and servicing	1 447 695	1 116 674
Technical services including gas injection	537 453	555 058
Personnel costs	532 964	467 680
<b>Total cost of goods and services sold</b>	<b>6 342 743</b>	<b>4 230 624</b>

Excluding Cryo Pur, costs of goods and services sold were up €1.4M due to volume increases between FY2021 and FY2022, as well as higher electricity purchase prices (+39%).

Administrative and operational expenses break down as follows, mainly in connection with the FDE and Gazonor entities:

Other administrative and operating expenses	30 June 2022	30 June 2021
	€	€
Fees, consultants	1 117 917	824 990
Travel	134 883	54 635
Studies and exploration	329 268	100 586
Banking services	182 450	121 882
Insurance	274 445	185 934
Communication	37 677	129 584
Rentals	226 777	82 758
Other costs	859 134	331 644
Taxes and levies excluding Corporate tax	164 716	181 012
Personnel costs	2 425 830	1 408 573
Free shares	632 784	137 952
<b>Total other administrative and operating expenses</b>	<b>6 385 880</b>	<b>3 559 550</b>

The Group's other administrative and operating expenses are on the rise, particularly due to development of its business, with Cryo Pur's expenses exceeding €1.2M, and costs incurred for the acquisition.

Lastly, expenses associated with employee free shares amounted to €633K in FY2022 vs €138K in FY2021.

## 2.4. Personnel costs

Salaries and social security charges, excluding expenses associated with employee free shares, amounted to €3,592K in FY2022 (vs €2,014K in 2021). This increase mainly stemmed from the arrival of new employees during the financial year and particularly to the integration of Cryo Pur.

Personnel costs	30 June 2022	30 June 2021
	€	€
Gross salaries	1 947 672	1 334 067
Social security costs	1 011 123	542 186
Expense for free shares awarded	632 784	137 952
<b>Total personnel costs</b>	<b>3 591 578</b>	<b>2 014 205</b>

## Headcount

The average FTE workforce stood at 28.11 employees for the full year ended 30 June 2022, up from 16.88 employees in FY2021, particularly owing to integration of Cryo Pur employees during the financial year.

Headcount	30 June 2022	30 June 2021
Executives and managers	20	11
Workers and employees	25	10
<b>Total headcount at closing</b>	<b>45</b>	<b>21</b>

## Remuneration of key directors

Key directors are those persons with authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including the board members of that entity.

As of 30 June 2022, two people may be put into this category, namely Mr Julien Moulin, Chairman of FDE, and Mr Antoine Forcinal, Chief Executive Officer.

The amount of remuneration awarded to the main directors is broken down as follows:

Remuneration of key executives	30 June 2022	30 June 2021
Fixed and variable remuneration	575 831	606 192
Attendance fees	0	0
<b>Total remuneration</b>	<b>575 831</b>	<b>606 192</b>

The amount of gross remuneration includes a charge of €190K recorded during FY2022 to NEL, the personal holding company of the Group's Chairman (€203K in 2021).

During FY2022, employee free shares were permanently awarded to directors for a total of 4,023 shares, in respect of the plan implemented in 2019. As at 30 June 2022, 31,610 had been awarded under the two ongoing plans, i.e. the 2020 and 2021 plans (also see share-based payments in note 3.11).

## 2.5. Other income/(expenses)

At 30 June 2022, Other income/(expenses) mainly included income following the renegotiation of suppliers payables for Cryo Pur.

## 2.6. Depreciation and net provision allowances

Depreciation and impairment losses recognised for the year ended 30 June 2022 rose versus FY2021 to a total of €2,110K against €1,506K the previous financial year.

During FY2022, the increased depreciation charge for industrial facilities mainly came from investments made at Gazonor Benelux. The impact of applying IFRS 16 on the financial year is zero.

Depreciation and impairment	30 June 2022	30 June 2021
	€	€
Depreciation of industrial installations	1 654 676	1 114 582
Depreciation of mining reserves HdF	249 367	233 352
Depreciation of other tangible/intangible assets	206 059	116 868
IFRS 16	0	41 227
<b>Total depreciation and impairment</b>	<b>2 110 102</b>	<b>1 506 029</b>



Net allowances for provision reversals are broken down as follows:

Net provisions	30 juin 2022	30 juin 2021
Provisions for site restoration	-1 354 125	-8 938
Write-back of losses on completion Cryopur	-96 639	
Impairment of inventories	10 708	16 858
Impairment of exploration costs		303 573
Other provisions for risks and disputes	171 191	12 259
<b>Total net provisions</b>	<b>-1 268 866</b>	<b>323 752</b>

A net reversal of provisions of €1,129K was recorded during FY2022, mainly due to revaluation of the provision for site restoration at Gazonor amounting to €1,174K during H1 2022 (plus an additional €170K during H2 2022). This provision had initially been based on historical data at the time the Group acquired the company in 2016. A valuation was carried out by an independent party during the year, leading to an adjustment of assets and liabilities based on results of this study.

## 2.7. Financial result

The constituent items of the financial result are as follows:

Financial result	30 June 2022	30 June 2021
	€	€
Financial income	2 336	7 894
Gross financial debt costs	-4 388 584	-1 123 109
Other items	-182 956	-81 171
<b>Total financial result</b>	<b>-4 569 205</b>	<b>-1 196 386</b>

The cost of financial debt includes the Group's interest charges and financing fees, increased during the year ended 30 June 2022 following the rescheduling of the NEL shareholder loan (now repaid), the non-conversion premium on the CAP3-RI loan, and the new crowdfunding and bond loans arranged by FalkenSun (€2.5M) and LFDE International (€25M) respectively during the financial year in order to support the Group's growth.

Other items include the accretion expense related to provisions for site dismantling and restoration.

## 2.8. Current and deferred taxes

In 2022, the current tax charge was the tax paid by the French tax consolidation group, the Belgian tax, and the minimum wealth tax owed by the Luxembourg-based subsidiary LFDE International.

The tax integration was set up on 1 July 2018 with FDE as the ultimate responsible tax integration entity in France, and including Gazonor, Gazonor Holding, EG Lorraine, EG NPC, and Gazonor Béthune (as of 1 July 2020). The tax result of this integration was €5,890K for the year ended 30 June 2022.



Finally, no change in tax rates occurred during fiscal year 2022, as the 2022 Finance Law promulgated in France renewed the existing 2021 legislation, including the gradual reduction of tax rates up to 25% on 1 January 2022.

The tax expense for this year and the previous comparable year breaks down as follows:

Tax expense	30 June 2022	30 June 2021
	€	€
Current tax for the year	2 015 952	91 410
<b>Current tax</b>	<b>2 015 952</b>	<b>91 410</b>
Change in deferred taxes	470 620	-162 372
Change in deferred tax liabilities		
<b>Deferred taxes</b>	<b>470 620</b>	<b>-162 372</b>
<b>Total tax expense</b>	<b>2 486 572</b>	<b>-70 963</b>

### Analysis of deferred taxes

The main sources of deferred tax recognised in the balance sheet include existing tax loss carryforwards and mining rights, just like during the previous period. A new source of deferred tax is unrealised profits on internal operations.

Breakdown and source of deferred taxes in balance sheet	30 June 2022	30 June 2021
	€	€
Deferrable losses	1 117 999	1 643 205
Free shares	37 577	35 746
Energy saving certificates	29 064	33 263
IFRS 16 - Leases	0	8 917
Provision for pension liabilities	15 927	8 383
Unrealised gain on internal operations	466 901	360 624
<b>Deferred tax assets</b>	<b>1 667 469</b>	<b>2 090 138</b>
Mining reserves	-6 015 188	-6 081 269
Provision for major overhauls	-409 217	-296 337
Dismantling Belgium	-3 435	-2 265
Financial lease	0	
<b>Deferred tax liabilities</b>	<b>-6 427 840</b>	<b>-6 379 871</b>
<b>Total net deferred taxes in balance sheet</b>	<b>-4 760 371</b>	<b>-4 289 733</b>

Deferred tax on tax loss carryforwards has been calculated at the level of each company or tax group where applicable, based on individual recoverability prospects. This base was eroded by profits generated by Group companies and use of these losses carried forward.

As at 30 June 2022, the losses that had not given rise to recognition of deferred tax assets represent carry-forward amounts of €30,556K for the companies located in France, including €28,784K for Cryo Pur, €11,625K for the company located in Luxembourg and €2,263K for

Greenhill in Belgium.

The deferred tax liability initially recognised on mining reserves following allocation of the acquisition price by FDE of the LFDE International/Gazonor group is reversed annually at the same rate as the underlying depreciation.

### Reconciliation of effective tax rate and theoretical tax rate

The reconciliation between the theoretical tax rate (average rate in France of 26.5%) and the effective tax rate recorded in the consolidated financial statements is as follows:

<b>Reconciliation of effective tax rate and theoretical tax rate</b>	<b>30 June 2022</b>	<b>30 June 2021</b>
		€
Net earnings of the consolidated group	7 198 984	292 645
(Corporate tax)	2 486 572	-70 963
<b>Pre-tax earnings</b>	<b>9 685 556</b>	<b>221 682</b>
French tax rate	26,50%	28,00%
<b>Theoretical tax expense</b>	<b>-2 566 672</b>	<b>-62 071</b>
IDA not recognised in the year	-397 213	-13 717
Gazonor Benelux IDA on investments	184 664	129 652
Permanent differences	321 371	15 211
Others (additional contribution, change in rates)	-28 722	1 888
<b>Tax expense in income statement</b>	<b>-2 486 572</b>	<b>70 963</b>

### 3. NOTES TO THE BALANCE SHEET

#### 3.1. Consolidated goodwill

During the previous year, goodwill of €48K was recognised for the acquisition in February 2021 of **100% of Greenhill SA**, the Belgian company holding the Monceau-Fontaine, Marcinelle and Nord de Charleroi Concession (No. 038), for a price of €203K. No valuation difference was noted in the final allocation of this purchase price, particularly with unrecognised tax loss carryforwards amounting to €2.3M.

For the year ended 30 June 2022, additional goodwill was recognised in the Group's consolidated accounts amounting to €5,711K, entirely related to the acquisition of 94% of the capital of **Cryo Pur**, a company specialising in the treatment of biogas and its liquefaction into LBG and Bio-CO<sub>2</sub>.

This acquisition was made by FDE for a price of €2.5M paid in cash.

The goodwill was determined from the difference between the acquisition price of the Cryo Pur shares and the amount of this company's equity at the acquisition date. A single valuation difference was also recognised on 30 June 2022, relating to termination benefits amounting to €31K at the time of integration into the consolidated scope.

On entering the FDE scope, Cryo Pur's negative equity amounted to €3,383K, with total assets of €2,921K and debts of €6,303K.

At the date of closing of these 2022 consolidated financial statements, the final allocation of the purchase price was not considered by the Group to be finalised, as the value of assets and liabilities taken over may be open to correction within a period of 12 months from the acquisition date, i.e. until 30 December 2022. Some of the main issues that may lead to identification of a valuation difference are:

- Recognition of any identifiable intangible assets;
- Recognition of deferred tax assets on existing tax loss carryforwards for nearly €28M at the time of entry into the scope and not fully recognised as at 30 June 2022;
- Recognition of a potential liability to be paid under an earn-out clause of €3M provided for in the acquisition agreement, the fair value thereof being considered to be zero at the end of FY2022.

#### 3.2. Exploration assets

As explained in the accounting rules and methods, the expenses recorded as exploration assets in the consolidated balance sheet include all costs incurred during the prospecting and exploration drilling phases.

The increase in these exploration assets over the year was mainly related to routine maintenance work carried out on sites in the Lorraine basin (Bleue Lorraine permit), particularly at the Lachambre site.

As at 30 June 2022, the gross value of these exploration costs stood at €46,608K, including €1,594K in site restoration costs.

A legal analysis was performed with the Company's lawyers at 30 June 2022 on the status of each licence for which exploration costs have been recorded. The Company's management

also assessed the drilling results and qualification of reserves at year-end.

Changes in gross and net values between 30 June 2021 and 30 June 2022 are as follows:

Changes - gross value	30 June 2021	Acquisitions	Disposals	Others	30 June 2022
	€	€	€	€	€
Assets - PER Bleue Lorraine	41,642,075	305,218			41,947,293
Assets - other PERs	2,594,195	4,258			2,598,453
Assets - PER Anderlues	551,316			-82,109	469,207
Provisions for restoration	1,385,770	208,213			1,593,983
<b>Total - gross value</b>	<b>46,173,356</b>	<b>517,688</b>	<b>0</b>	<b>-82,109</b>	<b>46,608,935</b>

Changes in depreciation and amortisation	30 June 2021	Allowance Depreciation	Allowance Impairment	reversals	30 June 2022
	€	€	€	€	€
Assets - PER Bleue Lorraine	0				0
Assets - other PERs	-597,940	0			-597,940
Assets - PER Anderlues	-22,935	-14,443		22,935	-14,443
Provisions for restoration	-6,189			6,189	0
<b>Changes in depreciation and amortisation</b>	<b>-627,065</b>	<b>-14,443</b>	<b>0</b>	<b>29,124</b>	<b>-612,384</b>
<b>Total - net value</b>	<b>45,546,291</b>	<b>503,245</b>	<b>0</b>	<b>-52,986</b>	<b>45,996,551</b>

For each exclusive exploration permit or concession, excluding the provision for restoration, the exploration assets are composed as follows:

Permits / concessions	Articles of association	30 June 2022	30 June 2021
		€	€
Bleue Lorraine (i)	Concession application in progress	41 947 293	41 642 075
Bleue Lorraine Sud (ii)	Non-extension, litigation		
Bleue Lorraine Nord (iii)	Explicit rejection - litigation		
La Grande Garde	Explicit rejection - litigation		
Lons-le-Saulnier	Rejection order		0
Gardanne	Rejection order	0	0
La Folie de Paris (iv)	Renewed until 07 August 2021	2 000 513	1 996 255
Valenciennois	Extended until 24 October 2022		
Sud-Midi	Extended until 24 October 2023		
Poissonnière	Concession until 23 December 2042		
Désirée	Concession until 23 December 2043		
Anderlues	Concession until 2038	454 764	551 316
<b>Total - exploration assets (net value)</b>		<b>44 402 569</b>	<b>44 189 646</b>

**(i) BLEUE LORRAINE permit**

The third period of the so-called Bleue Lorraine exclusive exploration permit expired on 30 November 2018, the date prior to which an application for a concession had to be made or it would no longer be deemed admissible. Against this backdrop, La Française de l’Energie applied for a concession on 26 November 2018, registered by the Ministry of Ecological and Solidarity Transition on 28 November 2018, pursuant to the provisions of the decree of 28 July 1995, and valid until 1 January 2040, i.e. 21 years.

The area requested is 191km<sup>2</sup>, including 6 communes completely and 34 communes partially.

The prefect of the Moselle department is in charge of implementation with local assistance from the Grand Est regional directorate for the environment, development and housing.

An implicit decision to reject the application for the Bleue Lorraine concession was issued on 11 June 2022. A petition challenging the implicit rejection of the Bleue Lorraine concession application was filed on 12 July 2022 with the Administrative Court of Strasbourg.

Since then, the State has not provided the judge with any submission in response.

**(ii) BLEUE LORRAINE SUD permit**

The Bleue Lorraine Sud permit was the subject of an extension request in July 2016, which was rejected by ministerial decree on 29 December 2017. Considering that the rejection date came after the rejection date, FDE lodged an appeal on 10 September 2018 to obtain extension of the permit. The contentious appeal was rejected by the Strasbourg Administrative Court on 22 July 2020; the Company did not appeal. A claim for compensation is still being finalised.

**(iii) LA FOLIE DE PARIS permit**

A ministerial order was issued on 31 January 2018 for the exclusive research permit known as “La Folie de Paris” extending it until 7 August 2021, for the benefit of the company Concorde Energie Paris (order of the Minister of Ecological and Solidarity Transition and the Minister of the Economy and Finance). An application for exceptional extension of the third period was deemed to have been received by the administration on 6 April 2021 and declared admissible. The application is being processed and a response was expected by September 2022.

The PERH (hydrocarbons exclusive exploration permit) remains valid during the processing period of the application for extension.

It is worth noting that the Montaiguillon-1 drilling project was approved by a Prefectoral Order on 15 December 2021.

The Group also filed 9 claims for compensation in respect of applications for exclusive exploration permits rejected in previous years, for a total of €1,313,695K in lost profits and a further €615K in costs incurred purely as a loss. No assets have been recognised for these claims in the interim financial statements.

### 3.3. Other intangible assets

Changes - gross value	30 June 2021	Acquisitions	Disposals	Others	Changes in scope	30 June 2022
	€	€	€	€	€	€
Software Sage X3	24,000	0	0	0	0	24,000
Other intangible assets	166,935	0	0	0	2,665,427	2,832,361
<b>Total - gross value</b>	<b>33,795</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,665,427</b>	<b>2,856,361</b>
Changes in depreciation and amortisation	30 June 2021	Allowance Depreciation	Allowance Impairment	reversals	Changes in scope	30 June 2022
	€	€	€	€	€	€
Software Sage X3	-24,000	0	0	0	0	-24,000
Other intangible assets	-162,748	-1,253	0	0	-2,664,815	-2,828,816
<b>Changes in depreciation and impairments</b>	<b>-29,608</b>	<b>-1,253</b>	<b>0</b>	<b>0</b>	<b>-2,664,815</b>	<b>-2,852,816</b>
<b>Total - net value</b>	<b>4,187</b>					<b>3,546</b>

Other intangible assets mainly comprise fully amortised software, and research and development costs of the subsidiary Gazonor.

### 3.4. Mining rights

During the year ended 30 June 2017, the Group had appropriated the acquisition price of the Transcor Astra Luxembourg group (now LFDE International) in full to the mining reserves held by the acquired entity via its subsidiary Gazonor. This appropriation of €18,264K was reflected accordingly in the recognition of mining reserves in property, plant and equipment for a gross value of €25,366K and deferred tax liabilities of €7,103K.

The mining rights thus recognised are depreciated annually per unit of production, by comparing the quantities of gas produced by the various Gazonor sites to the quantities of reserves held at the beginning of the financial year.

Mining rights	30 June 2022	30 June 2021
	€	€
Hauts-de-France - Gross value	25 366 331	25 366 331
Hauts-de-France - cumulative depreciation and impairments	-1 296 929	-1 047 562
Anderlues - Gross value	206 174	206 822
Anderlues - Cumulative depreciation and impairment	-14 133	-16 809
<b>Mining rights - net value at year-end</b>	<b>24 261 443</b>	<b>24 508 782</b>

During the financial year ended 30 June 2022, a depreciation of €249K was recorded, based on an annual production of 3.16 BCF (billion cubic feet) for a volume of 2P reserves of 309.78 BCF at the beginning of the year.

These reserve quantities were determined on the basis of a report from the German DMT issued in October 2017, taking into account the existing coefficient between the potential

production quantities of pure methane and those of mixed gas. The Group's management also assessed the production capacity at the end of 2022 over the duration of the concessions held.

At the Anderlues site, which was commissioned in late April 2019, the gross value of €206K reflects the matching assets of the dismantling provision as recorded as of 30 June 2019, which assets are amortized at the production unit.

### 3.5. Other tangible assets

Excluding mining rights recognised under tangible assets, other tangible assets mainly comprise investments made at the Hauts-de-France and Wallonia sites in order to set up the Group's cogeneration portfolio.

Changes - gross value	30 June 2021	Acquisitions	Disposals	Change in scope	Others	30 June 2022
	€	€	€	€	€	€
Lands	140,945	87,763				228,708
Buildings	1,839,723	16,820				1,856,542
Industrial plant and equipment	17,429,375	8,006,264		368,840	-2,742,379	23,062,100
Other tangible assets	72,748	39,401	-21,956			90,192
Assets under construction	3,979,610	3,897,044				7,876,654
Rights of use - IFRS 16	123,680					123,680
<b>Total - gross value</b>	<b>23,586,080</b>	<b>12,047,292</b>	<b>-21,956</b>	<b>368,840</b>	<b>-2,742,379</b>	<b>33,237,877</b>
Changes in depreciation and amortisation	30 June 2021	Allowance Depreciation	Allowance Impairment	Change in scope	reversals	30 June 2022
	€	€	€	€	€	€
Lands	0	-12,763				-12,763
Buildings	-270,180	-68,839				-339,019
Industrial plant and equipment	-3,300,655	-1,733,475		-268,318	1,655,801	-3,646,647
Other tangible assets	-98,108	-6,411			21,956	-82,562
Assets under construction	0					0
Rights of use - IFRS 16	-123,680					-123,680
<b>Changes in depreciation and amortisation</b>	<b>-3,792,623</b>	<b>-1,821,488</b>	<b>0</b>	<b>-268,318</b>	<b>1,677,757</b>	<b>-4,204,672</b>
<b>Total - net value</b>	<b>19,793,458</b>					<b>29,033,205</b>

Investments during the year mainly include the Anderlues 2 project (installation of 3 additional cogeneration units) for €2.3M, Avion 2 (installation of 2 additional cogeneration units) for €2.4M, and the Tritteling solar photovoltaic power plant project for €5.8M.

### 3.6. Non-current financial assets

Non-current financial assets are mainly composed of a guarantee deposit in connection with the joint bank loan with Landesbank SAAR and Bpifrance Financement amounting to €725K, which must be maintained until the loan matures, as well as a security deposit of €175K covering the automatic performance of dismantling operations on the Anderlues site, made on behalf of the Walloon government upon issuance of the related permit.

This item remained stable during the financial year.

### 3.7. Inventories

Inventories are mainly composed of maintenance and spare parts for servicing the gas and electricity production stations of Gazonor's sites, and are valued at the lower of their purchase cost or their net realisable value.

Impairment losses are recognised when the probable realisable value is lower than the cost price. Impairment is also recorded on the basis of an analysis between the quantities in the inventory at the year-end and the safety quantities per reference. An impairment of €60K was thus recorded at 30 June 2022 for maintenance/spare parts and other parts in the inventory.

Changes in the inventory are analysed as follows:

<b>Stocks</b>	<b>30 June 2022</b>	<b>30 June 2021</b>
	€	€
Maintenance and spare parts	468 463	472 630
Fluids	93 980	49 560
Stocks - Work in progress	60 792	146 783
<b>Gross value</b>	<b>623 234</b>	<b>668 972</b>
Impairment	-59 801	-49 093
<b>Stocks - net value at year-end</b>	<b>563 433</b>	<b>619 879</b>

### 3.8. Trade receivables and other current assets

<b>Trade receivables and other current assets</b>	<b>30 June 2022</b>	<b>30 June 2021</b>
	€	€
Trade receivables and related accounts	8 762 185	1 391 136
Other current assets	4 361 505	4 148 165
Prepaid and deferred expenses	261 646	83 780
<b>Total trade receivables and other current assets</b>	<b>13 385 335</b>	<b>5 623 082</b>

The trade receivables balance at 30 June 2022 was made up of pending payments from EDF Luminus and invoices for the month of June 2022 issued to the customers Total Gas & Power, EDF Obligations d'Achats, and Dalkia.

Other current assets mainly comprised deductible VAT receivables and social security and tax receivables.

### 3.9. Cash and cash equivalents

<b>Net cash and cash equivalents</b>	<b>30 June 2022</b>	<b>30 June 2021</b>
	€	€
Bank accounts	23 900 303	6 767 867
Liquidity portion of liquidity contract	84 900	72 083
<b>Total net cash</b>	<b>23 985 203</b>	<b>6 839 950</b>

For the cash belonging to the Gazonor entity, after June 30, 2022, all or part may only be



made available to Group entities, including FDE, after authorisation from the lenders BPI and SaarLB and subject to compliance with the financial ratios applicable at that date (see 3.11 of notes to the consolidated financial statements), although this rule does not apply to re-invoicing of services and other intra-group agreements.

At 30 June 2022, taking into account all the services and indemnities owed by Gazonor to FDE, and amounts related to the tax consolidation where FDE is the ultimate responsible entity, less advances already granted by Gazonor before this date, €3.0M can still be made available to FDE by Gazonor, excluding amounts subject to authorisation by lenders and for which the requirements had been met as at 30 June 2022.

### **3.10. Share capital and premiums**

As at 31 2022, FDE's share capital stood at €5,172,813, broken down into 5.172.813 ordinary shares with a par value of €1.00 each, all fully paid up.

During the financial year, 8,843 new shares were issued following the permanent allocation of employee free shares to beneficiaries of the fourth plan implemented in 2019 by the Board of Directors according to the powers delegated by the General Meeting of 29 November 2019. This capital increase was made by incorporation of share premiums, following confirmation by the Chairman on 30 November 2021 that free shares had ultimately been awarded to their rightful beneficiaries.

No other transactions have taken place with respect to the share capital since 1 July 2021.

Issue premiums amounting to €44,062K represent the difference between all issue premiums related to the Group's IPO and conversion of previously issued bonds, totalling €45,374K in premiums, and the amount, net of tax, of costs incurred by the Group during its IPO, i.e. €1,204K, as well as the successive impacts of the employee free share plans totalling €108K.

### **3.11. Share-based payments / employee free shares**

The FDE General Meeting held on 23 March 2016 had authorised the Board of Directors to proceed with allocation of free shares for the Group's employees and corporate officers, within the limit of 5% of share capital, a delegation renewed by the General Meeting of 29 November 2019 and then at the General Meeting of 30 November 2021 under the same conditions. The distribution of free shares must be made through a capital increase by way of incorporation of reserves or premiums.

Following the opinion of the Appointment and Remuneration Committee, a first plan was decided on 30 June 2016 and was permanently awarded 85,485 shares in November 2018 (out of 85,601 shares initially allocated to beneficiaries).

On 30 June 2017, the Board of Directors adopted the Regulations of the Plan set up in 2016 and determined the initial beneficiaries of the second plan for 5,231 shares, permanently awarded in December 2019.

The third plan initiated on 9 July 2018 resulted in the permanent award during the year ended 30 June 2021 of 8,080 shares.

The fourth plan, initiated on 12 December 2019, resulted in the definitive award of 8.843 shares over the year.

Two other plans were launched on 4 September 2020 and 27 July 2021, providing for employee free shares to be allocated to the Group's employees and directors as tabulated below:

Free share plans	Number of shares initially awarded	Number of shares at 30 June 2022	Fair value
4 September 2020	9 791	9 620	15,3
27 July 2021	49 795	49 290	22,5

All of these allocations together represent a total of approximately 3.3% of the capital, below the ceiling set for the initial authorisation.

These employee free shares will be permanently allocated to the beneficiaries within two years of their initial allocation date, provided these beneficiaries continue to hold their position within the Group during this period, and subject to fulfilment of the other requirements pertaining to this free share plan.

Under IFRS 2, benefits under this plan are accounted as staff costs.

Under this employee free share plan for all employees and executive directors, the unit value of the shares is based on the share price at the date of award, taking into account changes in the number of beneficiary employees. The corresponding expense is recognised over the vesting period of the shares from the date of award, i.e. the date on which the beneficiaries are deemed to have been duly and fully informed.

The expense recognised in 2022 amounts to €633K, representing a full year for the 2020 plan and pro rata temporis for the 2019 and 2021 plans, valued on the basis of the share price at the date of award.

### 3.12. Borrowings and financial debts

The Group's borrowings at 30 June 2022 mainly comprise the following financing arrangements:

#### Bond Loan – Gazonor Holding and CAP3 RI

Bond loan of €3M subscribed in January 2018 for the Gazonor subsidiary from CAP 3RI, an investment company focusing on the Third Industrial Revolution in the Hauts-de-France Region. This loan was obtained at Gazonor Holding's level with a maturity set at 31 December 2024. 6,383 convertible bonds were issued, with each holder having the option to exercise at any time, in whole or in part, a conversion right of 1 Gazonor Holding share for 1 bond.

A non-conversion premium is included in the bond contract, its amount being based on the consolidated Gross Operating Surplus and the consolidated net debt according to an agreed formula, with a minimum capitalised rate of 3% per annum, and in case of early redemption, a minimum IRR of 17% and a net multiple of 2x. This premium has been calculated on the basis of contractual data of the loan and according to the most probable calculation assumption as at 30 June 2022.

#### Loan - Gazonor SAS and Landesbank SAAR / Bpifrance Financement

A bank loan of €6.4M obtained for Gazonor on 09 May 2018 jointly from Landesbank SAAR and Bpifrance Financement, with a maturity date of 2 April 2024 and a repayment schedule by quarterly instalments. The repayment instalments to be made during the financial year ending 31 December 2023 are recorded under current financial liabilities.

The following specific requirements are attached to this bank loan:

- A reserve account has been set up for €725K, representing a blocked monetary account in the books of Landesbank SAAR, used for the debt service reserve and pledged to lenders until the loan matures. This account bears interest at the rate of interest on equivalent deposits. At 31 December 2022, this reserve account is included in non-current financial assets.
- Gazonor agrees not to grant any credit, advance or loan in any form whatsoever and of any nature whatsoever to any natural or legal person whatsoever, with the exception of:
  - Existing advances to Group members at the signing date of the loan agreement,
  - Current account or cash advances to other Group members authorised by lenders.
  - Credits and payment terms granted to its co-contractors in the normal course of business and up to a limit of €100K.

This loan comes with a financial ratio to be complied with, known as the DSCR ratio, for any 12-month period ending at the close of a fiscal year. This is a debt service coverage ratio, representing the ratio of “potential cash generated/total debt service”, which must remain above 1.3. As at 30 June 2022, the test for this ratio was satisfactory.

#### Bank Loan - Gazonor SAS and Bpifrance Financement

A loan taken out by Gazonor with Bpifrance Financement on 22 October 2019 nominal amount of €1,34M, aimed at refinancing the costs incurred for acquisition of the three Siemens-type electric motors installed at the Avion site. This loan has a maturity of 6 years, with monthly linear repayment, for a fixed interest rate of 1.5% per annum.

#### State-Guaranteed Loan – Gazonor SAS and LCL and Société Générale

In June 2020, as a result of the COVID-19 health crisis and the fall in gas and electricity prices in Belgium, Gazonor obtained a State-Guaranteed Loan for €1.6M to strengthen its cash flow, especially to assist in its future developments. This loan from LCL and Société Générale bears interest at a rate of 0.25% and has a lifespan of 12 months, with a depreciation option of up to 5 years.

On 20 May 2021 and 15 April 2021, amendments to the loans were signed with LCL and Société Générale, respectively, to extend the maturity of the loan to 5 years, after a one-year grace period.

#### Lease-Purchase Agreement - FDE and Finamur (LCL)

Lease-purchase agreement concluded on 21 October 2019 between FDE and Finamur by notarial deed, covering a total investment of €940K to build offices and warehouses in the Pontpierre/Faulquemont business area. The project was completed at the end of 2020 and the company took possession of the premises on 3 December 2020.

This lease provides for a maturity of 12 years, with the possibility for FDE to exercise its option earlier, after a 7-year rental period; the purchase option price at end of the contract is €94K.

### Project Funding – Cellcius SAS and Caisse d’Epargne

Cellcius has taken out a loan with the Caisse d’Epargne et de Prévoyance Grand Est Europe on 15 December 2020 for a nominal amount of €1.3M, aimed at refinancing costs incurred for construction of the solar-thermal farm in Creutzwald. This loan has a 20-year maturity with quarterly instalments from April 2021, at an interest rate of Livret A + 1% per annum, i.e. 1.5% on 30 June 2022.

This loan came with a financial ratio to be applied by providing a certificate of compliance submitted with the annual financial statements: DSCR: This is a debt service coverage ratio, representing the ratio of “available cash flow / debt service”, which must remain above 1.15.

### Crowdfunding loan – Gazonor Béthune SAS

Crowdfunding loan of €5.5M subscribed by Gazonor Béthune SAS from 1,708 lenders, to finance part of the shareholders’ equity mobilized by the Group for its project in Béthune. Approximately 40% of funds raised came from residents of the Hauts-de-France Region, once again demonstrating the relevance of the short circuit model promoted by FDE. The unit tickets invested range from €100 to €500K.

This fundraising, divided into two separate €2.25M campaigns, exceeded its initial target within 2 months. 55,000 bonds, with a par value of €100 each, were subscribed in February 2021.

This financing has a maturity of 4 years and a fixed interest rate of 4.75% per year. This loan is guaranteed by FDE for the duration of the financing.

### Crowdfunding loan – EG NPC SAS

Crowdfunding loan of €3.3M subscribed by EG NPC SAS from 489 lenders and NEF, an ethical banking cooperative which offers credit solutions exclusively oriented towards projects with a social, ecological and/or cultural utility, for €1M, in order to finance its project to build two cogeneration units on the historic site of Avion.

33,000 bonds, with a par value of €100 each, were subscribed in June 2021.

This financing has a maturity of 5 years and a fixed interest rate of 4.75% per year. This loan is guaranteed by FDE for the duration of the financing.

### Leasing – Gazonor Benelux and ING

Loan obtained by Gazonor Benelux from ING Equipment Lease Belgium, signed on 28 July 2021. This loan has a nominal amount of €2.9M and covers the refinancing of the two cogeneration plants at the Anderlues site, including a set of intangible costs incurred, initially financed by Triodos Bank. This loan has a maturity of 8 years from 29 July 2021, through quarterly maturities, with a fixed interest rate of 1.6% per annum and a call option of 1% of the invested amount.

In addition to the guarantees given by the Group and presented in 4.3 of this note, the following specific conditions are attached to this bank loan: a reserve account for 9 months’ rent has been set up over a period of 2 years for €269K and represents a blocked monetary account in the books of ING used as debt service reserve until the loan is fully repaid.

This loan came with a financial ratio to be applied, the DSCR (debt service coverage ratio) representing the ratio of “net cash flow / total debt service”, which must remain above 1.05.

A similar contract was signed for a new €6.3M financial lease with ING to cover the investment needs of the three new cogeneration units in phase 2 of Anderlues. As at 30 June 2022, a first amount of €3.6M was drawn.

#### Crowdfunding loan – FalkenSun SAS

Crowdfunding loan of €2.5M subscribed by FalkenSun SAS from 889 lenders and NEF, to finance part of the shareholders’ equity mobilized by the Group for the construction of the Tritteling-Redlach photovoltaic plant.

This fundraising closed on 9 August 2021 and as at 31 December 2021, 25,000 bonds with a par value of €100 each had been subscribed.

This financing has a maturity of 2 years and a fixed interest rate of 4.75% per year. This loan is guaranteed by FDE for the duration of the financing.

#### Green bonds – LFDE International SARL and EDRAM

€40M bond loan issued on 15 September 2021 by Edmond de Rothschild Asset Management (UK) Limited (EDRAM) for LFDE International and the development of the Group’s low-carbon energy portfolio in France and Belgium, including abandoned mine methane and photovoltaics.

This loan has a 7-year maturity (NC4) and comprises a first tranche of €25M which has been drawn, and an optional second tranche of €15M. The interest rate was 6% initially, reduced to 5.5% when the borrowing group reached €15M EBITDA.

This loan came with financial ratios to be applied by providing a certificate of compliance submitted with the annual and semi-annual financial statements:

- Consolidated DSCR: This is a debt Total service coverage ratio, representing the ratio of “available cash flow for debt service / total debt service”, which must remain above 1.05.
- Consolidated Net Debt Ratio: ratio representing the ratio of “net debt of the borrowing group / consolidated EBITDA”, which must remain below 4.9 until 31 December 2025 and 4.2 thereafter.
- Interest Coverage Ratio: ratio representing the ratio of “consolidated EBITDA / consolidated interest expense” to “total outstanding loan balance”, which must remain above 2.8.
- Group Loan-to-Value ratio: ratio representing the ratio of “Group net debt / sum of consolidated equity and consolidated net debt”, which must remain below 55%.

The first test date is 30 June 2022.

#### Bank loans – Cryo Pur and Bpifrance Financement

Repayable advance in principal of €170K, granted on 27 July 2016, and repayable in 17 quarterly instalments, i.e. until 31 March 2023.

Loan in principal of €400K made available on September 30, 2015, at a rate of 4.73%, repayable in 34 quarterly instalments until 31 March 2024.

Cryo Pur obtained an agreement from the bank to restructure the loans with a 12-month capital repayment grace period.

### State-Guaranteed Loan – Cryo Pur and Société Générale

State-guaranteed loan granted to Cryo Pur on 9 July 2020 amounting to €200K at a 1.25% interest rate, with a capital grace period of 12 months, extended by an additional 12 months following the Company's option of 2 April 2021, providing for full repayment in October 2022.

Cryo Pur obtained an agreement from the bank to restructure the State-guaranteed loan with a further 12-month capital repayment grace period.

Considering these financing arrangements, the Group's current and non-current financial debt as at 30 June 2022 is broken down as follows:

Current and non-current financial debts	30 June 2022	30 June 2021
	€	€
Bond loan	31 060 010	3 798 393
Bank loan	18 502 451	16 788 993
Shareholder loan (including fees)	0	0
BPI Export advances	14 625	14 625
IFRS 16 lease liabilities (operating and finance leases)	764 729	830 189
Issue fees	-1 480 649	-623 043
<b>Non-current financial debts</b>	<b>48 861 166</b>	<b>20 809 156</b>
Bond loan	0	0
Bank loan	4 591 502	3 286 376
Shareholder loan (including fees)	0	2 975 442
Debts on factoring	2 315 282	384 455
IFRS 16 lease liabilities (operating and finance leases)	65 459	90 523
Issue fees	-61 834	-433 635
Current bank loans	0	0
<b>Current financial debts</b>	<b>6 910 409</b>	<b>6 303 162</b>
<b>Total financial debts</b>	<b>55 771 575</b>	<b>27 112 318</b>

The debt on factoring represents receivables assigned with recourse under the €2,315K customer-factoring contract on 30 June 2022.

### 3.13. Trade payables and other current liabilities

All of the trade payables and other liabilities presented below are due within one year as at 30 June 2022, excluding €32K in employer contributions on employee free shares.

As at 30 June 2022, trade payables mainly comprised €1.4M for the dispute with Entrepose Drilling (see note 4.8) and €2.3M of Cryo Pur trade payables, with a large portion thereof being renegotiated following acquisition of the company.

Trade payables and other current liabilities	30 June 2022	30 June 2021
	€	€
Suppliers of goods and services	4 386 301	2 848 929
Fixed assets suppliers	3 980 142	4 856 008
Other debts	7 720 179	5 692 220
<b>Total Trade payables and other current liabilities</b>	<b>16 086 622</b>	<b>13 397 156</b>



### 3.14. Provisions

The main provisions recognised by the Group at 30 June 2022 represent provisions for site restoration and dismantling in Lorraine and Hauts-de-France.

In Lorraine, the provision for restoration covers the four sites on which drilling operations have taken place, determined on the basis of technical assessments and external estimates. In the Hauts-de-France Region, the provision for restoration mainly relates to the cost of stopping work, closing the boreholes and dismantling the pipes.

The underlying amount of these provisions decreased between FY2021 and FY2022, due to updating of the discounting assumptions used and updating of assessment of the Gazonor site dismantling costs by an independent party.

Current and non-current provisions	30 juin 2021	30 juin 2021
	€	€
Provisions for restoration	3 183 758	4 231 336
Provisions for pension liabilities	63 709	33 532
Other provisions		
<b>Non-current / pension provisions</b>	<b>3 247 467</b>	<b>4 264 868</b>
Provisions for litigation	283 576	109 571
<b>Current provisions</b>	<b>283 576</b>	<b>109 571</b>
<b>Total current and non-current /pension provisions</b>	<b>3 531 043</b>	<b>4 374 439</b>

See note 4.8 for more details on litigation.

#### Provisions for pension liabilities

Pension liabilities - balance sheet	30 June 2022
Provision for pension liabilities 30 June 2022	63 709
Provision for pension liabilities 30 June 2021	33 533
<b>Change in provision during FY2022</b>	<b>30 176</b>
<b>Pension liabilities - change during the year</b>	<b>30 June 2022</b>
Cost of services delivered	11 755
Financial cost	674
Actuarial gains and losses (equity)	-23 952
Change in scope	41 699
<b>Change in provision during FY2022</b>	<b>30 176</b>

Since all the Group's employees, excluding corporate officers, are governed by the applicable labour laws in France, the actuarial assumptions used to estimate the provision for pension commitments at 30 June 2022 are as follows:

- Retirement age: 65 years
- Salary increment: 2%
- Discount rate: 3.22%
- Turnover rate: 5%
- Mortality table: TGH05/TGF05



The changes in assumptions for the year cover the discount rate, which rose from 0.79% to 3.22% between 30 June 2021 and 30 June 2022.

No hedging assets have been set up by the Group at the Balance Sheet date.

## 4. OTHER INFORMATION

### 4.1. Cash flow and WCR

The change in working capital requirements during FY2022 and FY2021 presented in the cash flow statement is analysed as follows:

Change in WCR	30 June 2022	30 June 2021
	€	€
Stocks	56 446	-244 627
Trade receivables	-6 809 658	-442 769
Trade payables	-1 350 284	1 549 765
Other operating assets (CCA, deferred charges)	-103 340	48 658
<b>Change in operating WCR</b>	<b>-8 206 836</b>	<b>911 026</b>
Other assets	1 115 364	-1 097 856
Other liabilities	-807 250	2 318 502
<b>Changes in working capital - other assets and liabilities</b>	<b>308 114</b>	<b>1 220 646</b>
<b>Change in overall WCR</b>	<b>-7 898 722</b>	<b>2 131 672</b>

### 4.2. Lease commitments

#### Property leases outside the scope of IFRS 16

FDE is involved in lease agreements for land and plots of land located in the Lorraine region, concluded with individual owners for very long periods (maximum term 2091) with the possibility of termination.

The corresponding commitments amount to €2,479K over the entire possible lease term, with no material change compared to last year.

### 4.3. Other commitments

#### Commitments on financial debts

Current and non-current financial liabilities assigned to the Group as at 30 June 2022 include the following commitments and guarantees:

*Bank Credit – Landesbank SAAR and Bpifrance Financement (€6.4M):*

- Pledging of tangible movables by Gazonor as security for payment and repayment obligations of any amounts due under the relevant financing. This pledge cover the equipment mentioned in the financing contract, i.e. 6 heat and power production units of the Jenbacher JGC 420 GS type and 2 gas compression units of the Aerzen (RKR) type.
- Personal and joint guarantee given by Gazonor Holding as security for any sum owed and due by Gazonor.
- Pledging of the reserve account amounting to €725K to the benefit of lenders as security

for payment and repayment obligations in respect of all amounts due.

- First-ranking and non-competitive mortgage in favour of lenders amounting to €50K in principal and €10K in costs and incidentals on Gazonor's land (on which the four gas production and exploitation sites and the abandoned mine methane treatment and compression facilities are located).

*Bpifrance Financement bank loan (€1.34M):*

- Pledging of tangible movable property without dispossession by Gazonor for the benefit of Bpifrance in first rank for the financed equipment, namely three Siemens 1LA 690V 1500 RPM electric motors and Siemens G150 12pulse 690V electronic speed variation system installed on the Avion site.
- Joint and several guarantee given by FDE up to €1.34M for the entire duration of the financing.
- Risk sharing of the Bpifrance Financement guarantee up to 40% as part of the "Développement Cas/Cas 2019" national guarantee fund.

*ING financial leasing (€2.9M) for Anderlues 1 project:*

- Pledge of the DSRA credit balance.
- Pledge in favour of ING of all receivables from the operation of the project, i.e. and without being limited to: the operating permit, the contract for sale of electricity and green certificates, the service and maintenance contract, insurance policies.
- Commitment to continue leasing from FDE in case of default by Gazonor Benelux and at ING's first request.

*ING financial leasing (€6.3M) for Anderlues 2 project:*

- Pledge of the DSRA credit balance.
- Pledge in favour of ING of all receivables from the operation of the project, i.e. and without being limited to: the operating permit, the contract for sale of electricity and green certificates, the service and maintenance contract, insurance policies.
- Commitment to continue leasing from FDE in case of default by Gazonor Benelux and at ING's first request.

*Leasing – Finamur:*

- Pledge in favour of the lessor company, i.e. Finamur, of the intangible elements resulting to its benefit from the leasing contract and the benefit of the promise to sell as stated in the notarised contract. By means of this pledge, Finamur shall have and exercise on the various elements of the lease all the rights, actions and privileges conferred by law on the pledged creditors.

*La Caisse d'Epargne et de Prévoyance Grand Est Europe bank loan (€1.3M):*

- Mortgage on the long lease of the land on which the facilities are located.
- Non-possessory pledge on the plant's equipment and materials
- Assignment of professional receivables (heat supply agreement, service contract, insurance contract)
- Pledge of shareholders' financial securities accounts
- Pledge of DSCRA (3 months of debt service)
- Blocking of partners' current accounts opened in the Borrower's books for an amount of €700K.

*EDRAM bond loan (€25M):*

- Collateral on the dedicated bank accounts of LFDE International and the companies financed by the bonds (Gazonor Benelux, Greenhill, FalkenSun and EG NPC at 30 June

2022)

- Collateral on the shares of companies financed by the bonds (Gazonor Benelux, Greenhill, FalkenSun and EG NPC at 30 June 2022)
- Collateral on the dedicated intragroup loans between LFDE International and the companies financed by the bonds (Gazonor Benelux, Greenhill, FalkenSun and EG NPC at 30 June 2022)

### Financial commitments on permits

The table below describes the financial commitments made by the Group in respect of three main licences currently held by the Group and having capital expenditure and exploration costs recognised as at 30 June 2022 (excluding staff costs and other expenses recognised as expenses, i.e. not recognised in the balance sheet as an exploration asset):

Commitments on Exclusive Exploration Permits	Initial financial commitments	Investments made	Residual commitments
	€	€	€
Bleue Lorraine	7 700 000	41 947 293	<i>none</i>
Bleue Lorraine Sud	7 250 000	303 573	6 946 427
La Folie de Paris	5 400 000	2 000 513	3 399 487

Each exploration licence granted to the Group includes financial commitments in terms of exploration expenses to be incurred during the term of the licence and used as instruments to assess a potential renewal by the State. Additionally, it is worth noting that the expenses recorded on the Bleue Lorraine PER also includes studies on well architectures, quality and resistance of drilling equipment and tools, as well as characteristics of Lorraine coals which may be useful for the Bleue Lorraine Sud PER.

An application for concession was filed in November 2018 for the Bleue Lorraine permit, while the La Folie de Paris permit was renewed until 7 August 2021, with filing of an application for exceptional extension. These permits have been implicitly rejected with appeals pending.

#### **4.4. Commitments to purchase tangible assets**

The commitments amount as at 30 June 2022 on firm orders (notably for future developments of the group) was €5,025K excluding VAT.

#### **4.5. Related parties**

In the course of its activities, FDE Group was involved in a number of transactions with persons or entities considered to be related parties during the year ended 30 June 2022. The amounts arising from these transactions and recognised in the consolidated financial statements are set out below, together with the various significant relationships concluded during FY2022.

Transactions with related parties	30 June 2022	30 June 2021
	€	€
Trade payable NextGen NRJ Limited	190 000	54 900
Deltec Bank & Trust loan		2 975 442
EGL borrowing		328 989
<b>Debts</b>	<b>190 000</b>	<b>3 359 331</b>
NextGen NRJ Limited services	190 000	202 650
<b>Services - annual cost</b>	<b>190 000</b>	<b>202 650</b>
Annual interest on NEL loan	8 334	63 328
Annual interest on EGL loan	4 523	3 989
<b>Interest cost</b>	<b>12 857</b>	<b>67 317</b>

### Relations with related parties

- (i) Since 1 July 2016, there is a service contract between LFDE International and NEL, the personal holding company of the FDE Chairman, dealing with the promotion of the Company's activities, particularly with European Union authorities, and the search for external growth and financing operations. In return for these services, LFDE International pays NEL a monthly fee of €15.9K excluding tax and an expense of €190K recognised during the year.
- (ii) An amendment of the shareholder loan originally held by Deltec Bank & Trust were concluded on 30 September 2020 and 29 October 2020 in order to extend the maturities on 30 June 2021 to 31 December 2021. Additionally, following its withdrawal from the Company's capital, Deltec Bank & Trust transferred this shareholder loan to another shareholder of FDE, NEL, and notified the Company of the transfer on 12 November 2020. This loan was fully repaid as at 30 June 2022.
- (iii) Another shareholder of FDE granted a shareholder loan of €325K for one year on 13 November 2020. This loan was fully repaid as at 30 June 2022.

The total remuneration of members of the Group's Executive Committee and Board of Directors is disclosed in 2.4 of these notes.

The remuneration expense to be allocated to the members of the Remuneration and Audit Committees, as well as the Board of Directors amounts to €40K for the year ended 30 June 2022.

## **4.6. Financial instruments and risk management**

The Group's main financial assets and liabilities include cash, non-current financial assets, current and non-current receivables and other current assets, current and non-current financial debt and current trade payables and other current liabilities.

### Fair value of financial assets and liabilities

Financial assets and liabilities can be categorised into the following three fair value levels:

- Level 1: (unadjusted) prices quoted on active markets for identical assets and liabilities, for which the Group can obtain the market value on a given date;
- Level 2: inputs other than quoted prices included in Level 1 that are observable in the market either directly or indirectly;

- Level 3: data relating to assets or liabilities that are not observable in the market.

The fair value of financial assets and liabilities is determined primarily as follows:

- The fair value of trade receivables, trade payables and other current receivables and payables is equivalent to the balance sheet value due to their very short payment terms;
- The fair value of the current and non-current financial debt, composed of the bond loan, the bank loan Landesbank SAAR - Bpi and the shareholder loan, has been estimated on the basis of the par values plus fees and interest due, less accrued costs as at 30 June 2022. The remuneration of this financial debt represents the market value.
- The fair value of employee free shares is estimated by applying the principles of IFRS 2, including use of the market price at the date of award to the beneficiaries.

### Market risk

FDE's exposure to market risk, and particularly to changes in gas prices for Gazonor and electricity prices for Gazonor Benelux, is considered to be medium, as the Group has its green electricity sales business in France secured at fixed price with purchase obligations.

As at 30 June 2022, FDE has also fixed the prices of part of the expected gas and electricity volumes until the end of 2023.

### Interest-rate risk

The objective of the management policy pursued is to align the debt profile to the asset profile, to contain financial costs, and to cushion any impact on the result of any material variation in interest rates.

The Group is currently engaged in fixed rate financing and FDE does not anticipate any change in interest rates that would have a material impact on its cash balances. Fixed rate financial assets or liabilities are not used for any transactions intended to transform them into variable rates.

### Liquidity risk

The FDE Group's exposure to liquidity risk can be assessed by the ratio of its current assets to its current liabilities, on the one hand, and with regard to its financial debt at less than one year, net of cash and cash equivalents, on the other hand.

The Group's senior management regularly reviews its financing options to ensure that it can continue as a going concern, particularly in light of the maturity of its assets and liabilities.

The "Going concern" paragraph in Note 1.1 to the consolidated financial statements presents the various elements justifying such continuity at the date of preparation of the Group's financial statements for FY2022.

The table below shows the maturities of the Group's financial assets and liabilities at 30 June 2022 and 2021:

Maturities of assets and liabilities - 30 June 2022	Within 1 year	1 to 5 years	Above 5 years	Total
	€	€	€	€
Non-current financial assets		1 328 062	490 652	1 818 714
Trade receivables	8 762 185			8 762 185
Other receivables, including CCA	4 623 150			4 623 150
Cash and cash equivalents	23 985 203			23 985 203
Financial debts (excluding deferred charges)	-6 910 409	-22 056 427	-26 804 739	-55 771 575
Trade payables	-8 366 443			-8 366 443
Other liabilities	-7 720 179	-1 563 750		-9 283 930
<b>Net amounts by maturity - 30 June 2022</b>	<b>14 373 507</b>	<b>-22 292 115</b>	<b>-26 314 087</b>	<b>-34 232 696</b>

Maturities of assets and liabilities - 30 June 2021	Within 1 year	1 to 5 years	Above 5 years	Total
	€	€	€	€
Non-current financial assets	0	1 625 361	207 615	1 832 976
Trade receivables	1 391 136			1 391 136
Other receivables, including CCA	4 231 946			4 231 946
Cash and cash equivalents	6 981 209			6 981 209
Financial debts	-6 303 162	-19 264 934	-1 544 222	-27 112 318
Trade payables	-7 704 936			-7 704 936
Other liabilities	-5 692 220	-509 401		-6 201 621
<b>Net amounts by maturity - 30 June 2021</b>	<b>-7 096 027</b>	<b>-18 148 974</b>	<b>-1 336 607</b>	<b>-26 581 608</b>

The amount of trade payables at 30 June 2022 mainly includes a disputed amount of €1.4M with Entrepouse Drilling.

#### 4.7. Auditor's fees

The fees paid by the Group to the statutory auditors of FDE include the following items:

Auditor's fees	30 June 2022	30 June 2021
	€	€
Certification of accounts - Française de l'Energie Mazars	60 254	56 000
Certification of accounts - Française de l'Energie BDO	55 620	50 000
Certification of accounts - subsidiaries (Mazars Belgium, Odycé)	36 666	44 563
Other engagements - Française de l'Energie Mazars	7 000	
<b>Total Auditor's fees</b>	<b>159 539</b>	<b>150 563</b>

Other engagements and services involve due diligence specific to capital transactions performed by Mazars in view of the AGM of 30 November 2021.

#### 4.8. Ongoing litigation and legal proceedings

As at the date of preparation of the consolidated financial statements for the financial year ended 30 June 2022, the Group was involved in various disputes and court cases

##### (i) ENTREPOSE DRILLING dispute

A dispute between FDE and the company Entrepouse Drilling SAS concerns drilling and other services invoiced by the latter for the Lachambre drilling campaign. FDE considers that the deficiencies in the drilling equipment used by Entrepouse Drilling failed to meet the objectives set for this drilling and that these deficiencies delayed the Company's drilling campaign, causing it a major prejudice which justifies the suspension of payment of the last invoices for this drilling.

Entrepouse Drilling disputes the Company's position and has initiated summary proceedings to obtain payment of these invoices as well as compensation for termination of the contract

signed with FDE, arguing that FDE took the initiative to terminate the contract. The total amount demanded was €3,040,879, excluding taxes. FDE disputed this fact, blaming Entrepose Drilling for terminating the contract. On 08 September 2017, the Commercial Court of Paris, ruling in summary proceedings, ordered FDE to pay Entrepose Drilling the sum of €984,820, excluding taxes. Decision executed.

Entrepose Drilling has initiated a dispute on the merits of the matter before the Commercial Court of Paris for invoices rejected for payment by the Court's summary ruling for a total amount of €2,067K, excluding taxes. On its part, FDE has filed a counterclaim for compensation for damages due to deficiencies in the drilling services provided by Entrepose Drilling and the abusive termination by the latter of the contract binding it to FDE.

In this respect, the summary conclusions were filed with the Commercial Court of Paris on 21 February 2019 by La Française de l'Energie, based on a report by Mr Pierre Gié, produced on 07 February 2019, with the Company requesting an amount of €6,337,029 as well as reimbursement of amounts already paid under the original contract (i.e. €1,184,562 paid in execution of the summary ruling of 8 September 2017 and €1,381,748 paid as settlement of invoices in respect of the rescinded contract).

Entrepose Drilling's liability insurer, HDI Global SE, challenged FDE's conclusions through an expert report by Erget. In December 2019, FDE summoned Entrepose Group, parent company of Entrepose Drilling, to join proceedings as a third party. Entrepose Drilling's summary conclusions were filed during the procedural hearing on 20 February 2020. Entrepose Drilling sent FDE its submissions in response on 5 January 2021, while FDE sent its own submission in response on 9 April 2021. Entrepose Drilling proposed an amicable settlement, FDE made a counterproposal, but these discussions did not result in a settlement. The case was argued on 3 June 2021.

The Paris Commercial Court delivered its judgment on 1 October 2021 and partially granted Entrepose Drilling's claims (i.e., €2,067,104 excluding taxes) and ordered FDE to pay €865K (plus interest at the legal rate since May 2018 with provisional enforcement of the judgment).

FDE paid the ordered amount of €946,497 to Entrepose Drilling while disputing the total amount of €1,138,163 claimed by Entrepose Drilling, wrongly including VAT according to FDE. A hearing took place on 15 January 2022 before the enforcement judge of the Metz Commercial Court to rule on this claim and the amount of the penalty payments claimed by Entrepose Drilling.

FDE appealed the judgements rendered on 1 October 2021 before the Paris Court of Appeal, the proceedings are ongoing and Entrepose Drilling (now called Arverne Driling) filed its submissions in the appeal proceedings in July 2022. FDE filed its own submissions on 20 July 2022.

In proceedings before the First President of the Paris Court of Appeal, FDE obtained a guarantee from Arverne Driling's former shareholder, Entrepose Group, to refund the amounts paid by FDE under the first instance judgment in the event that FDE wins the appeal and Arverne Driling defaults on this repayment.

## **(ii) COMPAGNIE FINANCIERE DE SAINT-ROCH dispute**

There is a dispute between FDE and Compagnie Financière de Saint Roch, which claimed during 2017 an additional payment of €300K for services delivered in connection with FDE's



IPO in June 2016. The latter contests this claim. This claim was rejected by FDE insofar as all the sums provided for in the contract with Compagnie Financière de Saint Roch had already been paid in accordance with the provisions of said contract.

Nonetheless, on 5 October 2017, Compagnie Financière de Saint Roch brought an action on the merits against FDE before the Paris Commercial Court, claiming €620K in principal for the services it alleges, as well as €600K for loss of opportunity for various investments and €50K for the image and moral damage caused to it. FDE rejected all of these claims as being totally unfounded contractually, and filed a claim for compensation on account of abusive proceedings in the amount of €50K.

Following a judgment handed down by the Paris Commercial Court on 22 February 2019, Compagnie Financière de Saint-Roch was dismissed of all its claims. The latter appealed the judgement on 4 April 2019.

By a decision dated 15 June 2020, the Paris Court of Appeal upheld the first judgment and dismissed all of Compagnie de Saint-Roch's claims, ordering it to pay FDE the sum of €5,500 pursuant to Article 700 of the Code of Civil Procedure.

Compagnie Financière de Saint-Roch lodged an appeal to the Court of Cassation on 26 March 2021, which was rejected by the selfsame Court on 9 June 2022. Consequently, this matter has been closed once and for all.

### **(iii) GAZONOR LABOUR DISPUTE**

For this labour dispute at Gazonor, all risks for the Group had been properly assessed and recognised in the financial statements for the year ended 30 June 2019. By judgment of 18 September 2018, Lens Labour Court considered that the dismissal was founded, but not on a serious fault, reclassified as dismissal for real and serious cause.

The applicant appealed this decision, the submissions and responses were exchanged by the parties, the applicant's last submissions having been tendered in July 2019 and the Company's sent on 19 October 2020.

On 17 December 2021, the Douai Court of Appeal upheld the Labour Court's judgment, re-evaluating some of the applicant's claims downwards. Gazonor decided not to appeal and paid the balance of €52,076 including interest.

### **(iv) GTR GAZ dispute**

Since mid-2019, Gazonor, an FDE subsidiary, has been subject to restrictions on its injections of abandoned mine methane into GRTgaz's gas-conveyance network. Despite discussions with GRTgaz about these difficulties and a letter of formal notice dated 16 September 2019, these injection restrictions have continued.

Gazonor has initiated two concurrent proceedings:

- (i) Gazonor initiated dispute resolution proceedings before the CoRDIS against GRTgaz by a referral dated 15 March 2021. Gazonor considers that GRTgaz's conduct, consisting in restricting the injection of abandoned mine methane into the gas-conveyance network, constitutes a serious obstacle to its right to access effectively said conveyance network, as provided for by law. It therefore requested the CoRDIS to order GRTgaz to propose



an amendment to the contract with Gazonor in order to guarantee the permanent opening of the abandoned mine methane mixer with a minimum flow rate set point, with penalties in the event of a breach of this obligation, and to provide information on the monthly injectable volumes of abandoned mine methane on the network in order to allow the anticipation of injection fluctuations.

GRTgaz denies in substance that these injection limitations, which it justifies by its operating constraints and by a gas conversion plan imposed by the public authorities, qualify as an infringement of Gazonor's effective right of access to the network.

The CoRDiS issued a decision on 4 November 2021 rejecting Gazonor's request to guarantee the permanent opening of the abandoned mine methane mixer while partially granting Gazonor's request for information by requiring GRTgaz to provide estimates of the monthly injectable volumes of abandoned mine methane on the network.

Gazonor filed an appeal against this decision on 8 December 2021 and submitted its full statement of case on 7 January 2022. A procedural meeting is scheduled for 29 March 2022 to set the timetable for the proceedings and to organise the continuation of the proceedings.

- (ii) Gazonor also sued GRTgaz before the Nanterre Commercial Court, through a deed dated 22 March 2021. Gazonor considers that GRTgaz's behaviour entailing restricting injections of abandoned mine methane into the gas transmission system and refusing to transmit certain information qualifies as a breach of the obligations of the injection contract concluded between the parties.

In its final pleadings filed on 16 February 2022, Gazonor prayed the Commercial Court of Nanterre to order GRTgaz to pay a total sum of €2,310K to compensate for the damage directly linked to these contractual breaches as well as a sum of €100K under Article 700 of the French Civil Procedure Code.

GRTgaz denies having breached its contractual obligations and has concluded that Gazonor's claims should be dismissed, also praying the Court to order Gazonor to pay the sum of €75K under Article 700 of the French Code of Civil Procedure.

GRTgaz is due to respond to Gazonor's final submissions on 16 March 2023.

The proceedings for appealing against a CoRDiS decision before the Paris Court of Appeal and the Nanterre Commercial Court generally takes between 12 and 18 months.

#### **(v) XERYS dispute**

Following the acquisition of Cryo Pur on 31 December 2021 from the Xerys investment funds, FDE raised various challenges and management shortcomings at Xerys, refusing to pay the acquisition price of €2,000K.

On 11 February 2022, Xerys summoned FDE for payment of the price and on 28 February 2022, FDE summoned Xerys for cancellation of the sale / compensation for fraud.

By a summary order issued on 15 April 2020, the Paris Commercial Court granted Xerys' claim. FDE executed this decision and paid the sale price to Xéry's entities in April 2022.

The proceedings on the merits initiated by FDE against Xerys before the Paris Commercial Court are still ongoing, and FDE is awaiting Xerys' submissions in response.

#### 4.9. Sectoral information

Sectoral financial information is presented according to the same principles as those used for internal reporting, based on indicators of exploration costs, production and EBITDA by operating segment. On this basis, the Group's activity is grouped into four operating segments, which are characterised by a different model in terms of extraction and exploitation of gas.

- Extraction and exploitation of coal seam gas (Moselle – Grand-Est): exploration, certification of coal seam gas reserves and recovery of this gas for local consumption.
- Exploitation and development of abandoned mine methane (Pas-de-Calais -Hauts de France / Anderlues - Belgium): capture of gas from mines and exploitation as gas, electricity or heat.
- Extraction and exploitation of solar energy (Grand Est): installation and operation of a solar thermal plant (Cellcius) and a solar farm (Falkensun).
- Other sectors: includes Cryo Pur, whose activity is to design, manufacture, market and operate a range of equipment that integrates the purification of biogas by cryogenics and the liquefaction of biomethane and Bio-CO<sub>2</sub>.

The following tables present, by sector, information on revenues and information on the main exploration assets and production concessions held by the Group as at 30 June 2022 and 2021. The operating income and EBITDA indicators are not subjected to a sectoral analysis by the Group's General Management.

At 30 June 2022	Coal gas	Mine gas	Solar	Other sector	Consolidated total
	€	€	€	€	€
Turnover		24 896 750	154 354	1 169 342	26 220 447
Goodwill		47 848		5 711 008	5 758 856
Mining rights		24 261 443			24 261 443
Tangible and intangible assets, excluding restoration	42 921 172	20 289 187	7 774 771	2 090 148	73 075 278
Investment flows	374 886	5 152 253	5 965 474		11 492 612

At 30 June 2021	Coal gas	Mine gas	Solar	Other sector	Consolidated total
	€	€	€	€	€
Turnover		10 159 860	76 213		10 236 073
Goodwill		47 848			47 848
Mining rights		24 508 782			24 508 782
Tangible and intangible assets, excluding restoration	42 581 287	17 211 667	1 895 996	1 996 255	63 685 205
Investment flows	490 429	8 314 556	1 603 820		10 408 805

By geographical area as at 30 June 2022, the sector outside France covers abandoned mine methane extraction and exploitation operations in Belgium and Cryo Pur operations. This area had revenues of €8,112K and tangible and intangible investments of €2,178K for the year ended 30 June 2022.

#### 4.10. Post balance sheet events

On 3 October 2022, FDE announced the issuance of a new €20M green bond to develop its low carbon energy solutions in Europe. The bond has a maturity of 7 years.

The La Folie de Paris permit had been renewed until 7 August 2021, with an application for exceptional extension. FDE's request has been implicitly rejected since 3 October 2022 and it is preparing an informal appeal within 2 months. This appeal will be lodged on 3 December 2022 at the latest.

A concession application for the Bleue Lorraine permit was filed in November 2018 and that permit is under implied rejection with a pending application for review. In a letter dated 4 October 2022, FDE applied for formal notice to be served on the Minister responsible for mines to provide his observations as soon as possible. The President of the Court granted FDE's motion and served formal notice on the Minister to provide his observations in defence within three months.

#### 4.11. Scope of consolidation

Consolidated companies - 30 June 2022	Country	% controlled	% interest
La Française de l'Energie S.A.	France	Parent company	Parent company
EG Lorraine S.A.S.	France	100%	100%
EG NPC S.A.S.	France	100%	100%
LFDE International S.A.R.L.	Luxembourg	100%	100%
Gazonor Holding S.A.S.	France	100%	100%
Gazonor S.A.S.	France	100%	100%
Gazonor Benelux S.A.	Belgium	100%	100%
Greenhill S.A.	Belgium	100%	100%
Concorde Energy Inc.	USA	100%	100%
Concorde Energie Paris S.A.R.L.	France	100%	100%
Gazonor Béthune S.A.S	France	100%	100%
Cellcius S.A.S	France	51%	51%
FalkenSun S.A.S	France	75%	75%
Cryo Pur S.A.S	France	96%	96%

## **9.2 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS**

**LA FRANCAISE DE L'ENERGIE**

Avenue du District  
57380 PONTPIERRE

### **RAPPORT DES COMMISSAIRES AUX COMPTES SUR LES COMPTES CONSOLIDES**

Exercice clos le 30 juin 2022

Le 31 octobre 2022

**BDO PARIS**

Société d'Expertise Comptable inscrite au Tableau de l'Ordre de la région Paris-Ile-de-France  
Société de Commissariat aux comptes inscrite sur la liste nationale des Commissaires aux comptes,  
rattachée à la CRCC de Paris  
RCS Paris B 480 307 131 00056  
SAS au capital de 3 000 000 euros

**MAZARS**

Société anonyme d'expertise comptable et de commissariat aux comptes  
Société inscrite sur la liste nationale des commissaires aux comptes, rattachée à la CRCC de Colmar  
RCS Strasbourg 348 600 990  
Capital de 400 000 euros

**LA FRANCAISE DE L'ENERGIE**  
*Rapport des commissaires aux comptes sur les comptes consolidés*  
*Exercice clos le 30 juin 2022*

## **LA FRANCAISE DE L'ENERGIE**

**Exercice clos le 30 juin 2022**

Rapport des commissaires aux comptes sur les comptes consolidés

A l'assemblée générale de la société La Française de l'Energie,

### **Opinion**

En exécution de la mission qui nous a été confiée par votre assemblée générale, nous avons effectué l'audit des comptes consolidés de la société La Française de l'Energie relatifs à l'exercice clos le 30 juin 2022, tels qu'ils sont joints au présent rapport.

Nous certifions que les comptes consolidés sont, au regard du référentiel IFRS tel qu'adopté dans l'Union européenne, réguliers et sincères et donnent une image fidèle du résultat des opérations de l'exercice écoulé ainsi que de la situation financière et du patrimoine, à la fin de l'exercice, de l'ensemble constitué par les personnes et entités comprises dans la consolidation.

L'opinion formulée ci-dessus est cohérente avec le contenu de notre rapport au comité d'audit.

### **Fondement de l'opinion**

#### **Référentiel d'audit**

Nous avons effectué notre audit selon les normes d'exercice professionnel applicables en France. Nous estimons que les éléments que nous avons collectés sont suffisants et appropriés pour fonder notre opinion.

Les responsabilités qui nous incombent en vertu de ces normes sont indiquées dans la partie « Responsabilités des commissaires aux comptes relatives à l'audit des comptes consolidés » du présent rapport.

#### **Indépendance**

Nous avons réalisé notre mission d'audit dans le respect des règles d'indépendance prévues par le code de commerce et par le code de déontologie de la profession de commissaire aux comptes sur la période du 1er juillet 2021 à la date d'émission de notre rapport, et notamment nous n'avons pas fourni de services interdits par l'article 5, paragraphe 1, du règlement (UE) n° 537/2014.

### **Justification des appréciations - Points clés de l'audit**

En application des dispositions des articles L.823-9 et R.823-7 du code de commerce relatives à la justification de nos appréciations, nous portons à votre connaissance les points clés de l'audit relatifs aux risques d'anomalies significatives qui, selon notre jugement professionnel, ont été les plus importants pour l'audit des comptes consolidés de l'exercice, ainsi que les réponses que nous avons apportées face à ces risques.

Les appréciations ainsi portées s'inscrivent dans le contexte de l'audit des comptes consolidés pris dans leur ensemble et de la formation de notre opinion exprimée ci-avant. Nous n'exprimons pas d'opinion sur des éléments de ces comptes consolidés pris isolément.

- **Evaluation des actifs d'exploration**

#### ***Description du risque***

Comme indiqué dans la note « 1.2.J Dépenses d'exploration » de l'annexe aux comptes consolidés, le groupe applique la norme IFRS 6 relative à la comptabilisation des dépenses de prospection. La comptabilisation des droits et actifs de production des ressources du sous-sol est réalisée conformément à la méthode des « successful efforts ».

En particulier, les coûts d'exploration comptabilisés en immobilisations incorporelles s'élèvent au 30 juin 2022 à une valeur nette de 45 997 K€ et font l'objet de tests de dépréciation sur une base individuelle, permis par permis.

Nous avons considéré l'évaluation des actifs d'exploration comme un point clé de l'audit en raison de leur importance significative dans les comptes, et des estimations et jugements nécessaires (notamment le volume de gaz et la viabilité technique et économique de chaque projet) pour conduire les tests de dépréciation.

#### ***Procédures d'audit mises en œuvre en réponse à ce risque***

Nos travaux ont consisté à examiner les indicateurs de perte de valeur des actifs d'exploration comptabilisés à l'actif du bilan.

Nous avons ainsi :

- mené plusieurs entretiens au cours de l'exercice avec la direction de la société et obtenu son appréciation sur la qualification des réserves sur la base du rapport de certification qui avait été établi par MHA Petroleum Consultants portant sur les réserves de gaz ;
- pris connaissance de l'analyse juridique effectuée par les avocats de la société portant sur le statut de chaque permis pour lesquels des coûts d'exploration ont été comptabilisés ;
- analysé avec la direction de la société les conséquences des différentes décisions judiciaires rendues au cours de la période, leur impact sur la valeur

des actifs et les arguments permettant de justifier le maintien de la valeur des actifs.

- **Evaluation des droits miniers**

***Description du risque***

Comme indiqué dans la note « 1.2.K Immobilisations corporelles » de l'annexe aux comptes consolidés, les immobilisations corporelles comprennent les réserves minières acquises prouvées et probables, comptabilisées comme « droits miniers ». Elles sont amorties selon la méthode de l'unité de production basée sur ces réserves.

Les droits miniers comptabilisés en immobilisations corporelles s'élèvent au 30 juin 2022 à 24 261 K€ et font l'objet de tests de dépréciation sur une base individuelle, permis par permis.

Nous avons considéré l'évaluation des droits miniers comme un point clé de l'audit en raison de leur importance significative dans les comptes, et des estimations et jugements nécessaires pour conduire les tests de dépréciation.

***Procédures d'audit mises en œuvre en réponse à ce risque***

Nos travaux ont consisté à examiner les indicateurs de perte de valeur des droits miniers à l'actif du bilan.

Nous avons ainsi :

- analysé les hypothèses clés retenues pour la détermination de la valeur recouvrable des actifs ;
- les scénarii de prix des hydrocarbures ont été confrontés aux données issues des contrats de ventes ;
- nous avons recalculé les taux d'actualisation des flux de trésorerie futurs de façon indépendante, et les avons confrontés aux taux habituellement retenus par les analystes financiers ;
- mené des entretiens avec la direction du groupe afin de comprendre les principales hypothèses opérationnelles retenues (coûts opérationnels futurs, plan d'investissement).

***Vérifications spécifiques***

Nous avons également procédé, conformément aux normes d'exercice professionnel applicables en France, aux vérifications spécifiques prévues par les textes légaux et réglementaires des informations relatives au groupe, données dans le rapport de gestion du Conseil d'Administration.

Nous n'avons pas d'observation à formuler sur leur sincérité et leur concordance avec les comptes consolidés.



LA FRANÇAISE DE L'ÉNERGIE  
Rapport des commissaires aux comptes sur les comptes consolidés  
Exercice clos le 30 juin 2022

### **Autres vérifications ou informations prévues par les textes légaux et réglementaires**

#### ***Format de présentation des comptes consolidés destinés à être inclus dans le rapport financier annuel***

Nous avons également procédé, conformément à la norme d'exercice professionnel sur les diligences du commissaire aux comptes relatives aux comptes annuels et consolidés présentés selon le format d'information électronique unique européen, à la vérification du respect de ce format défini par le règlement européen délégué n° 2019/815 du 17 décembre 2018 dans la présentation des comptes consolidés destinés à être inclus dans le rapport financier annuel mentionné au I de l'article L. 451-1- 2 du code monétaire et financier, établis sous la responsabilité du directeur général. S'agissant de comptes consolidés, nos diligences comprennent la vérification de la conformité du balisage de ces comptes au format défini par le règlement précité.

Sur la base de nos travaux, nous concluons que la présentation des comptes consolidés destinés à être inclus dans le rapport financier annuel respecte, dans tous ses aspects significatifs, le format d'information électronique unique européen.

Il ne nous appartient pas de vérifier que les comptes consolidés qui seront effectivement inclus votre société dans le rapport financier annuel déposé auprès de l'AMF correspondent à ceux sur lesquels nous avons réalisé nos travaux.

#### ***Désignation des commissaires aux comptes***

Nous avons été nommés commissaires aux comptes de la société La Française de l'Énergie par décision des actionnaires du 29 novembre 2019 pour le cabinet Mazars et du 3 décembre 2020 pour le cabinet BDO Paris.

Au 30 juin 2022, le cabinet Mazars était dans la troisième année de sa mission sans interruption et le cabinet BDO Paris dans la deuxième année.

#### **Responsabilités de la direction et des personnes constituant le gouvernement d'entreprise relatives aux comptes consolidés**

Il appartient à la direction d'établir des comptes consolidés présentant une image fidèle conformément au référentiel IFRS tel qu'adopté dans l'Union européenne ainsi que de mettre en place le contrôle interne qu'elle estime nécessaire à l'établissement de comptes consolidés ne comportant pas d'anomalies significatives, que celles-ci proviennent de fraudes ou résultent d'erreurs.

Lors de l'établissement des comptes consolidés, il incombe à la direction d'évaluer la capacité de la société à poursuivre son exploitation, de présenter dans ces comptes, le cas échéant, les informations nécessaires relatives à la continuité d'exploitation et

d'appliquer la convention comptable de continuité d'exploitation, sauf s'il est prévu de liquider la société ou de cesser son activité.

Il incombe au comité d'audit de suivre le processus d'élaboration de l'information financière et de suivre l'efficacité des systèmes de contrôle interne et de gestion des risques, ainsi que le cas échéant de l'audit interne, en ce qui concerne les procédures relatives à l'élaboration et au traitement de l'information comptable et financière.

Les comptes consolidés ont été arrêtés par le Conseil d'Administration.

### **Responsabilités des commissaires aux comptes relatives à l'audit des comptes consolidés**

#### *Objectif et démarche d'audit*

Il nous appartient d'établir un rapport sur les comptes consolidés. Notre objectif est d'obtenir l'assurance raisonnable que les comptes consolidés pris dans leur ensemble ne comportent pas d'anomalies significatives. L'assurance raisonnable correspond à un niveau élevé d'assurance, sans toutefois garantir qu'un audit réalisé conformément aux normes d'exercice professionnel permet de systématiquement détecter toute anomalie significative. Les anomalies peuvent provenir de fraudes ou résulter d'erreurs et sont considérées comme significatives lorsque l'on peut raisonnablement s'attendre à ce qu'elles puissent, prises individuellement ou en cumulé, influencer les décisions économiques que les utilisateurs des comptes prennent en se fondant sur ceux-ci.

Comme précisé par l'article L.823-10-1 du code de commerce, notre mission de certification des comptes ne consiste pas à garantir la viabilité ou la qualité de la gestion de votre société.

Dans le cadre d'un audit réalisé conformément aux normes d'exercice professionnel applicables en France, le commissaire aux comptes exerce son jugement professionnel tout au long de cet audit. En outre :

- il identifie et évalue les risques que les comptes consolidés comportent des anomalies significatives, que celles-ci proviennent de fraudes ou résultent d'erreurs, définit et met en œuvre des procédures d'audit face à ces risques, et recueille des éléments qu'il estime suffisants et appropriés pour fonder son opinion. Le risque de non-détection d'une anomalie significative provenant d'une fraude est plus élevé que celui d'une anomalie significative résultant d'une erreur, car la fraude peut impliquer la collusion, la falsification, les omissions volontaires, les fausses déclarations ou le contournement du contrôle interne ;
- il prend connaissance du contrôle interne pertinent pour l'audit afin de définir des procédures d'audit appropriées en la circonstance, et non dans le but d'exprimer une opinion sur l'efficacité du contrôle interne ;

**LA FRANCAISE DE L'ENERGIE**  
*Rapport des commissaires aux comptes sur les comptes consolidés*  
*Exercice clos le 30 juin 2022*

- il apprécie le caractère approprié des méthodes comptables retenues et le caractère raisonnable des estimations comptables faites par la direction, ainsi que les informations les concernant fournies dans les comptes consolidés ;
- il apprécie le caractère approprié de l'application par la direction de la convention comptable de continuité d'exploitation et, selon les éléments collectés, l'existence ou non d'une incertitude significative liée à des événements ou à des circonstances susceptibles de mettre en cause la capacité de la société à poursuivre son exploitation. Cette appréciation s'appuie sur les éléments collectés jusqu'à la date de son rapport, étant toutefois rappelé que des circonstances ou événements ultérieurs pourraient mettre en cause la continuité d'exploitation. S'il conclut à l'existence d'une incertitude significative, il attire l'attention des lecteurs de son rapport sur les informations fournies dans les comptes consolidés au sujet de cette incertitude ou, si ces informations ne sont pas fournies ou ne sont pas pertinentes, il formule une certification avec réserve ou un refus de certifier ;
- il apprécie la présentation d'ensemble des comptes consolidés et évalue si les comptes consolidés reflètent les opérations et événements sous-jacents de manière à en donner une image fidèle ;
- concernant l'information financière des personnes ou entités comprises dans le périmètre de consolidation, il collecte des éléments qu'il estime suffisants et appropriés pour exprimer une opinion sur les comptes consolidés. Il est responsable de la direction, de la supervision et de la réalisation de l'audit des comptes consolidés ainsi que de l'opinion exprimée sur ces comptes.

*Rapport au comité d'audit*

Nous remettons au comité d'audit un rapport qui présente notamment l'étendue des travaux d'audit et le programme de travail mis en œuvre, ainsi que les conclusions découlant de nos travaux. Nous portons également à sa connaissance, le cas échéant, les faiblesses significatives du contrôle interne que nous avons identifiées pour ce qui concerne les procédures relatives à l'élaboration et au traitement de l'information comptable et financière.

Parmi les éléments communiqués dans le rapport au comité d'audit figurent les risques d'anomalies significatives, que nous jugeons avoir été les plus importants pour l'audit des comptes consolidés de l'exercice et qui constituent de ce fait les points clés de l'audit, qu'il nous appartient de décrire dans le présent rapport.

Nous fournissons également au comité d'audit la déclaration prévue par l'article 6 du règlement (UE) n° 537-2014 confirmant notre indépendance, au sens des règles applicables en France telles qu'elles sont fixées notamment par les articles L.822-10 à L.822-14 du code de commerce et dans le code de déontologie de la profession de commissaire aux comptes. Le cas échéant, nous nous entretenons avec le comité d'audit des risques pesant sur notre indépendance et des mesures de sauvegarde appliquées.

**LA FRANCAISE DE L'ENERGIE**  
*Rapport des commissaires aux comptes sur les comptes consolidés*  
*Exercice clos le 30 juin 2022*

Fait à Paris et Strasbourg, le 31 octobre 2022

BDO Paris  
Représenté par Sébastien Haas  
Associé



MAZARS  
Représenté par Laurence Fournier  
Associée





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